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RELIGIOUS TECHNOLOGY CENTER

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and	)	CASE No. CV 88-1786 JMI(Ex)
RICHARD N. AZNARAN,	)	
	)	ANSWER AND COUNTERCLAIM
Plaintiffs,	)	OF RELIGIOUS TECHNOLOGY CENTER;
v.	)	DEMAND FOR JURY TRIAL
	)	
CHURCH OF SCIENTOLOGY OF	)	
CALIFORNIA, et al.,	)	
	)	
Defendants.	)	
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RELIGIOUS TECHNOLOGY	)	
CENTER,	)	
	)	
Counterclaimants,	)	
v.	)	
	)	
VICKI J. AZNARAN and	)	
RICHARD N. AZNARAN,	)	
	)	
Counterdefendants.)	)	
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Defendant Religious Technology Center (hereinafter "Defendant"), for itself only and for no other Defendant, answers plaintiffs' complaint in this action as follows:

1. Defendant admits the averments of paragraph 1 insofar

1 as there is diversity of citizenship; but denies that the amount  
2 in controversy between plaintiffs and this Defendant exceeds  
3 \$10,000. This Defendant admits that it has its principal  
4 offices within this district. This Defendant neither admits nor  
5 denies the averments pertaining to other defendants and says  
6 that said averments should be answered by said other defendants  
7 if and when they are required to do so. Defendant lacks  
8 knowledge or information sufficient to form a belief as to the  
9 truth of the remainder of the averments and, on that ground,  
10 denies those averments.

11 2. Defendant is informed and believes and on that basis  
12 admits the truth of the averments in paragraph 2.

13 3. This Defendant admits that it is a California  
14 non-profit religious corporation, having its principal offices  
15 in the State of California. This Defendant neither admits nor  
16 denies the averments pertaining to other defendants and says  
17 that said averments should be answered by said other defendants  
18 if an when they are required to do so.

19 4. This Defendant lacks knowledge or information  
20 sufficient to form a belief as to the truth of the averments  
21 contained in paragraph 4 and on that basis denies each of these  
22 averments.

23 5. This Defendant neither admits nor denies the averments  
24 pertaining to other defendants and says that said averments  
25 should be answered by said other defendants if and when they are  
26 required to do so.

27 6. This Defendant denies each and every averment of  
28 paragraph 6.

1           7. This Defendant denies each and every averment of  
2 paragraph 7.

3           8. This Defendant denies each and every averment of  
4 paragraph 8.

5           9. This Defendant is informed and believes and on that  
6 basis admits that plaintiffs were members of Churches of  
7 Scientology and that plaintiffs became members of the Church in  
8 Dallas, Texas; that plaintiffs voluntarily took various  
9 Scientology courses, voluntarily received various Scientology  
10 services and voluntarily held various staff positions in  
11 Churches of Scientology, and with this Defendant. This  
12 Defendant denies the remainder of the averments in paragraph 9.

13           10. This Defendant denies each and every averment of  
14 paragraph 10.

15           11. This Defendant denies each and every averment of  
16 paragraph 11.

17           12. This Defendant denies each and every averment of  
18 paragraph 12.

19           13. This Defendant denies each and every averment of  
20 paragraph 13.

21           14. This Defendant denies each and every averment of  
22 paragraph 14.

23           15. This Defendant is informed and believes and on that  
24 basis admits the averment in paragraph 15 that plaintiff Vicki  
25 Aznaran was at one time a member of the Commodore's Messenger  
26 Organization. Defendant denies the remainder of the averments  
27 in paragraph 15.

28           16. This Defendant denies each and every averment of

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paragraph 16.

17. This Defendant denies each and every averment of paragraph 17.

18. This Defendant denies each and every averment of paragraph 18.

19. This Defendant is informed and believes and on that basis admits that plaintiff Richard Aznaran worked at a ranch in the San Luis Obispo area during portions of 1986 and 1987. Defendant denies the remainder of the averments in paragraph 19.

20. This Defendant denies each and every averment of paragraph 20.

21. This Defendant denies each and every averment of paragraph 21.

22. This Defendant denies each and every averment of paragraph 22.

23. This Defendant denies each and every averment of paragraph 23.

24. This Defendant denies each and every averment of paragraph 24.

25. This Defendant denies each and every averment of paragraph 25.

26. Defendant admits that plaintiffs left California and went to Texas and denies the remainder of the averments in paragraph 26.

27. This Defendant admits that a "Freeloader Bill," as that term is understood by this Defendant, was sent to plaintiffs at their request. This Defendant says that that Freeloader Bill speaks for itself. This Defendant denies the

1 remainder of the averments in paragraph 27.

2 28. This Defendant denies each and every averment of  
3 paragraph 28.

4 29. In answering the averments contained in paragraph 29  
5 wherein plaintiffs adopt by reference paragraphs 2 through 28 of  
6 their common averments, this Defendant admits, denies and avers  
7 to the same effect and in the same manner as this Defendant  
8 admitted, denied and averred with respect to those specific  
9 paragraphs as previously set forth in this answer.

10 30. This Defendant denies each and every averment of  
11 paragraph 30.

12 31. This Defendant denies each and every averment of  
13 paragraph 31.

14 32. This Defendant denies each and every averment of  
15 paragraph 32.

16 33. This Defendant denies each and every averment of  
17 paragraph 33.

18 34. In answering the averments contained in paragraph 34  
19 wherein plaintiffs adopt by reference paragraphs 2 through 33 of  
20 their complaint, this Defendant admits, denies, and avers to  
21 the same effect and in the same manner as this Defendant  
22 admitted, denied and averred with respect to those specific  
23 paragraphs as previously set forth in this Answer.

24 35. This Defendant admits that Churches of Scientology  
25 render religious services of a spiritual nature based on the  
26 religious beliefs of Scientology. This Defendant denies the  
27 remainder of the averments contained in paragraph 35.

28 36. This Defendant denies each and every averment of

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paragraph .

37. This Defendant denies each and every averment of paragraph 37.

38. This Defendant denies each and every averment of paragraph 38.

39. In answering the averments contained in paragraph 39 wherein plaintiffs adopt by reference paragraphs 2 through 39 of their complaint, this Defendant admits, denies and avers to the same effect and in the same manner as this Defendant admitted, denied and averred with respect to those specific paragraphs as previously set forth in this Answer.

40. This Defendant admits that Churches of Scientology render religious services of a spiritual nature based on the religious beliefs of Scientology. This Defendant denies the remainder of the averments contained in paragraph 40.

41. This Defendant denies each and every averment of Paragraph 41.

42. This Defendant denies each and every averment of Paragraph 42.

43. In answering the averments contained in Paragraph 43 wherein plaintiffs adopt by reference paragraphs 2 through 42 of their complaint, this Defendant admits, denies, and avers to the same effect and in the same manner as this Defendant admitted, denied and averred with respect to those specific paragraphs as previously set forth in this Answer.

44. This Defendant denies each and every averment of paragraph 44.

45. This Defendant denies each and every averment of

1 paragraph .

2 46. This Defendant denies each and every averment of  
3 paragraph 46.

4 47. In answering the averments contained in paragraph 47  
5 wherein plaintiffs adopt by reference paragraphs 2 through 46 of  
6 their complaint, this Defendant admits, denies, and avers to  
7 the same effect and in the same manner as this Defendant  
8 admitted, denied and averred with respect to those specific  
9 paragraphs previously set forth in this Answer.

10 48. This Defendant denies each and every averment of  
11 paragraph 48.

12 49. This Defendant denies each and every averment of  
13 paragraph 49.

14 50. This Defendant denies each and every averment of  
15 paragraph 50.

16 51. This Defendant denies each and every averment of  
17 paragraph 51.

18 52. This Defendant denies each and every averment of  
19 paragraph 52.

20 53. In answering the averments contained in paragraph 53  
21 wherein plaintiffs adopt by reference paragraphs 2 through 52 of  
22 their complaint, this Defendant admits, denies, and alleges to  
23 the same effect and in the same manner as this Defendant  
24 admitted, denied and averred with respect to those specific  
25 paragraphs previously set forth in this Answer.

26 54. This Defendant admits that Churches of Scientology  
27 render religious services of a spiritual nature based on the  
28 religious beliefs of Scientology. This Defendant denies the

1 remainder of the averments contained in paragraph 54.

2 55. This Defendant denies each and every averment of  
3 paragraph 55.

4 56. This Defendant denies each and every averment of  
5 paragraph 56.

6 57. This Defendant denies each and every averment of  
7 paragraph 57.

8 58. This Defendant denies each and every averment of  
9 paragraph 58.

10 59. This Defendant denies each and every averment of  
11 paragraph 59.

12 60. In answering the averments contained in paragraph 60  
13 wherein plaintiffs adopt by reference paragraphs 2 through 59 of  
14 their complaint, this Defendant admits, denies and avers to  
15 the same effect and in the same manner as this Defendant  
16 admitted, denied and averred with respect to those specific  
17 paragraphs previously set forth in this Answer.

18 61. This Defendant denies each and every averment of  
19 paragraph 61.

20 62. This Defendant denies each and every averment of  
21 paragraph 62.

22 63. This Defendant denies each and every averment of  
23 paragraph 63.

24 64. In answering the averments contained in paragraph 64  
25 wherein plaintiffs adopt by reference paragraphs 2 through 63 of  
26 their complaint, this Defendant admits, denies and avers to  
27 the same effect and in the same manner as this Defendant  
28 admitted, denied and averred with respect to those specific



1 paragraphs previously set forth in this Answer.

2 65. This Defendant admits that the Churches of Scientology  
3 have a policy with respect to return of donations. This  
4 Defendant avers that said policy is in writing and publicly  
5 available and that it speaks for itself. This Defendant denies  
6 the characterization of said policy as set forth by plaintiffs  
7 in paragraph 65.

8 66. This Defendant denies each and every averment of  
9 paragraph 66.

10 67. This Defendant denies each and every averment of  
11 paragraph 67.

12 68. This Defendant denies each and every averment of  
13 paragraph 68.

14 69. This Defendant denies each and every averment of  
15 paragraph 69.

16 70. In answering the averments contained in paragraph 70  
17 wherein plaintiffs adopt by reference paragraphs 2 through 69 of  
18 their complaint, this Defendant admits, denies, and avers to  
19 the same effect and in the same manner as this Defendant  
20 admitted, denied and averred with respect to those specific  
21 paragraphs previously set forth in this Answer.

22 71. This Defendant denies each and every averment of  
23 paragraph 71.

24 72. This Defendant denies each and every averment of  
25 paragraph 72.

26 73. This Defendant denies each and every averment of  
27 paragraph 73.

28 74. This Defendant denies each and every averment of

1 paragraph 74.

2 75. This Defendant denies each and every averment of  
3 paragraph 75.

4 76. In answering the averments contained in paragraph 76  
5 wherein plaintiffs adopt by reference paragraphs 2 through 75 of  
6 their complaint, this Defendant admits, denies, and avers to  
7 the same effect and in the same manner as this Defendant  
8 admitted, denied and averred with respect to those specific  
9 paragraphs previously set forth in this Answer.

10 77. This Defendant denies each and every averment of  
11 paragraph 77.

12 78. This Defendant denies each and every averment of  
13 paragraph 78.

14 79. This Defendant denies each and every averment of  
15 paragraph 79.

16 80. In answering the averments contained in paragraph 80  
17 wherein plaintiffs adopt by reference paragraphs 2 through 79 of  
18 their complaint, this Defendant admits, denies, and avers to  
19 the same effect and in the same manner as this Defendant  
20 admitted, denied and averred with respect to those specific  
21 paragraphs previously set forth in this Answer.

22 81. This Defendant admits that Churches of Scientology  
23 render religious services of a spiritual nature based on the  
24 religious beliefs of Scientology. This Defendant denies the  
25 remainder of the averments contained in paragraph 81.

26 82. This Defendant denies each and every averment of  
27 paragraph 82.

28 83. This Defendant denies each and every averment of

1 paragraph 83.

2 84. This Defendant denies each and every averment of  
3 paragraph 84.

4 85. This Defendant denies each and every averment of  
5 paragraph 85.

6 FIRST AFFIRMATIVE DEFENSE

7 86. The Complaint fails to state any claim upon which  
8 relief may be granted.

9 SECOND AFFIRMATIVE DEFENSE

10 87. Plaintiffs' claims in this action, and each of them,  
11 are barred by applicable statutes of limitations, including but  
12 not limited to, those found in California Code of Civil  
13 Procedure §§ 338(1), 338(3), 338(4), 339(1), 340(1), 340(3),  
14 and 343.

15 THIRD AFFIRMATIVE DEFENSE

16 88. The claims asserted by Vicki Aznaran, and each of  
17 them, are barred by a Mutual Settlement and Release, duly  
18 executed by Vicki Aznaran. The release between the parties  
19 covers and includes each claim in the Complaint and precludes  
20 Vicki Aznaran from bringing these claims, and each of them, or  
21 any other claims against Defendant.

22 FOURTH AFFIRMATIVE DEFENSE

23 89. The claims asserted by Richard Aznaran, and each of  
24 them, are barred by a Mutual Settlement and Release, duly  
25 executed by Richard Aznaran. The release between the parties  
26 covers and includes each claim in the Complaint and precludes  
27 Richard Aznaran from bringing these claims, and each of them, or  
28 any other claims against Defendant.

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FIFTH AFFIRMATIVE DEFENSE

90. The two duly executed Mutual Settlement and Releases described herein constitute an accord and satisfaction of each and every claim made in the Complaint.

SIXTH AFFIRMATIVE DEFENSE

91. Plaintiffs, and each of them, are estopped by their conduct from asserting any purported claims for relief against Defendant, including but not limited to all alleged conduct of this Defendant intentionally or negligently directed, authorized or ratified by plaintiff Vicki Aznaran during her tenure as President of this Defendant.

SEVENTH AFFIRMATIVE DEFENSE

92. Plaintiffs, and each of them, have waived all right, if any they ever had, to any and all recovery sought by the Complaint.

EIGHTH AFFIRMATIVE DEFENSE

93. Plaintiffs at all times voluntarily, knowingly and willingly assumed any and all risk arising from their participation in and/or association with the defendant herein with respect to all incidents and activities, including those referred to in the Complaint. Any and all claimed "injuries" or damages were proximately caused by plaintiffs' own conduct.

NINTH AFFIRMATIVE DEFENSE

94. Plaintiffs' claims, and each of them, are barred by applicable principles of the First Amendment to the Constitution. The complaint impermissibly intrudes on rights held by Defendant and others to privacy and association, to religious free exercise, and to freedom from excessive

1 governmental entanglement in religious affairs.

2 TENTH AFFIRMATIVE DEFENSE

3 95. Plaintiffs' claims, and each of them, are barred by  
4 the doctrine of contributory negligence in that plaintiffs' own  
5 actions are a proximate legal cause for any injury or damages  
6 suffered by them. Plaintiffs, willfully and with knowledge,  
7 voluntarily entered into membership in the Scientology religion,  
8 and remained parishioners and employees of various  
9 Scientology-affiliated entities even after attaining high levels  
10 of training and responsibility within said entities.

11 ELEVENTH AFFIRMATIVE DEFENSE

12 96. Relative to the acts or conduct alleged by plaintiffs,  
13 Defendant as a matter of law is not and has never been the  
14 agent, servant, employee, partner, associate, joint venturer,  
15 co-participant, co-conspirator, or principal of any other  
16 Defendant. Accordingly, Defendant is not liable to plaintiffs  
17 for any of the acts complained of.

18 TWELFTH AFFIRMATIVE DEFENSE

19 97. Plaintiffs, after discovery of all the facts which  
20 allegedly constituted defendants' fraudulent activity, made  
21 ratification thereof by their conduct.

22 THIRTEENTH AFFIRMATIVE DEFENSE

23 This Defendant asserts that recovery is barred by the  
24 doctrine of unclean hands.

25 WHEREFORE, Defendant prays for relief as follows:

- 26 1) That plaintiffs take nothing by their Complaint;  
27 2) That Defendant recover its costs of suit herein;  
28 3) That Defendant recover its attorneys' fees and costs of

1 defending the suit herein; and

2 4) That the Court award such further relief as it may deem  
3 proper.

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1    COUNTERCLAIM BY DEFENDANT RTC

2    JURISDICTIONAL AVERMENTS

3           1. Counterclaimant Religious Technology Center ("RTC") is  
4 a non-profit religious corporation organized under the laws of  
5 the State of California. RTC's principal offices are in the  
6 State of California and within this district.

7           2. Counter-defendants Vicki and Richard Aznaran  
8 (collectively the "Aznarans") are residents and citizens of the  
9 State of Texas.

10          3. The amount of controversy exceeds \$10,000.

11          4. This counterclaim is brought pursuant to principles of  
12 pendant jurisdiction and jurisdiction based on 28 U.S.C.  
13 Section 1332(a).

14    GENERAL AVERMENTS

15          5. Vicki Aznaran was for many years a parishioner of  
16 the religion of Scientology, and a senior official of  
17 counterclaimant RTC for approximately 5 years. Vicki Aznaran  
18 served as the President of RTC from 1983 until March 1987. For  
19 many years Vicki Aznaran received, conducted and participated in  
20 religious counseling, services and activities offered by the  
21 Churches of Scientology ("the Church"). Additionally, as  
22 president of RTC, Vicki Aznaran participated in, directed, and  
23 was responsible for various activities pertaining to the  
24 corporate, ecclesiastical and legal affairs of RTC.

25          6. Richard Aznaran was a parishioner of the religion of  
26 Scientology for many years. Richard Aznaran also held various  
27 staff positions over the years.

28          7. In or about March 1987, Vicki Aznaran voluntarily

1 resigned from her position as president of RTC, and assigned  
2 herself to religious rehabilitation program known as  
3 the "Rehabilitation Project Force" (hereinafter "RPF"). The RPF  
4 is a program established as a direct result of the religious  
5 belief that man is basically good and, with proper application  
6 of religious procedures as laid out in the Scientology  
7 scriptures, can be rehabilitated. Vicki resigned, in part,  
8 because of her support to various persons who had been removed  
9 from their positions within the Guardian's Office of the Church  
10 in the early 1980s, after Church authorities discovered that  
11 these persons had committed improper actions in complete  
12 disregard for and contravention of Church policies.

13 8. On or about March 31, 1987, Vicki Aznaran determined to  
14 and did terminate her service with RTC. She voluntarily and  
15 freely departed the premises of RTC in the company of two other  
16 former RTC staff members.

17 9. Upon learning of her departure, agents for RTC  
18 contacted Vicki, assisted her by making a hotel room available  
19 to her, and arranged for her husband, Richard, to meet with her.  
20 The decision to return to service in RTC was left totally up to  
21 her and, although the two persons with whom she initially  
22 departed both decided to return, Vicki did not. After meeting  
23 with Vicki, Richard also decided to discontinue his voluntary  
24 service.

25 10. Out of concern for the Aznarans, and in order to make  
26 their transition to secular life as simple and easy as possible,  
27 RTC packed up and transported to them all of their personal  
28 belongings, even including those personal belongings such as a



1 VCR which had been purchased with RTC funds. Their two dogs  
2 were likewise brought to the Aznarans by RTC and their horse,  
3 which had been originally purchased by the Aznarans for  
4 \$1,200.00, was purchased from them without negotiation by  
5 defendant Church of Scientology International for \$1,500.00.

6 11. Additionally, at or around the date that the Aznarans  
7 left the Church, the Aznarans and the Church of Scientology  
8 International entered into a loan agreement in which the  
9 Aznarans borrowed \$20,000, at a substantially below market rate  
10 of interest, from CSI. The loan was arranged in order to assist  
11 the Aznarans. A true and correct copy of that loan agreement  
12 (the "loan agreement") is annexed hereto as Exhibit A.

13 12. In April 1987, Vicki Aznaran executed a Mutual Release  
14 Agreement (the "VA Release") with RTC and others. A true and  
15 correct copy of the Release signed by Vicki Aznaran is annexed  
16 hereto as Exhibit B.

17 13. In April 1987, Richard Aznaran executed a Mutual  
18 Release Agreement (the "RA Release") with RTC and others. A  
19 true and correct copy of the Release signed by Richard Aznaran  
20 is annexed hereto as Exhibit C. The VA Release and RA Release  
21 are hereinafter collectively referred to as the "Releases."

22 14. The Releases, and each of them, signed by the Aznarans  
23 constitute valid agreements between the Aznarans and various  
24 defendants, specifically including RTC. The Aznarans each  
25 received a copy of their respective releases at the time the  
26 Releases were signed. The Releases were executed for fair and  
27 valuable consideration. The Aznarans signed the Releases  
28 without duress and intended them to be valid and binding.

1           15. Releases signed by plaintiffs pertained to,  
2 included and released "any and all claims, demands, damages,  
3 actions and causes of action of every kind and nature, known or  
4 unknown, from the beginning of time to and including the date  
5 [of the Release]." [Releases Para. (3)],

6           16. Additionally, among other things, the Releases signed  
7 by Vicki and Richard Aznaran contained covenants not to sue  
8 [Releases Para. 6B], covenants of confidentiality [Releases  
9 Para. (6C)] and covenants not to assist or advise anyone  
10 contemplating or engaged in litigation against Scientology  
11 [Releases Para. 8]. Specifically, the Releases provided as  
12 follows:

13           (a) Covenant Not to Sue: Paragraph 6B of the  
14 VA Release provides in part that:

15           "VICKI AZNARAN understands that by the execution  
16 of this release, no claims arising out of her  
17 experience with, or actions by, [RTC and others] from  
18 the beginning of time to and including the date  
19 hereof, which may now exist or which may exist in the  
20 future may ever be asserted by her or on her behalf,  
21 against [RTC and others]"

22           (b) The terms of Paragraph 6B of the RA are  
23 identical to the language referenced above except  
24 that the name RICK AZNARAN appears.

25           (c) Covenant of Confidentiality: Paragraph 6C  
26 of the VA Release provides in part that:

27           "VICKI AZNARAN agrees never to . . . assist  
28 another to create for publication by means of

1 magazine, article, book or other similar form, any  
2 writing, . . . concerning her experiences with the  
3 Church of Scientology, L. Ron Hubbard, or RTC and  
4 other defendants]. VICKI AZNARAN further agrees that  
5 she will maintain strict confidentiality and silence  
6 with respect to her experiences with the Church of  
7 Scientology and any knowledge or information she may  
8 have concerning the Church of Scientology, L. Ron  
9 Hubbard, or any of the [defendants]. . . VICKI  
10 AZNARAN agrees that if the terms of this paragraph  
11 are breached by her, the aggrieved party listed  
12 hereinabove would be entitled to liquidated damages  
13 in the amount of \$10,000 for each such breach. The  
14 reasonableness of the amount of such damages are  
15 hereto [sic] acknowledged by VICKI AZNARAN."

16 (d) Paragraph 6C of the RA Release is identical  
17 to the above-quoted language except that the name  
18 RICK AZNARAN appears.

19 (e) Covenant of Non-Assistance: Paragraph 8  
20 of the VA Release provides in part that:  
21 "VICKI AZNARAN agrees that she will not assist  
22 or advise anyone contemplating any claim or engaged  
23 in litigation or involved in or contemplating any  
24 activity adverse to the interests of any [of the  
25 defendants]."

26 (g) Paragraph 8 of the RA Release is identical  
27 to the above-quoted paragraph except that the name  
28 RICK AZNARAN appears.

1 17. Or about April 1987, the Aznarans departed  
2 California and went to Dallas, Texas. Shortly thereafter, Rick  
3 Aznaran requested assistance from RTC in the form of statements  
4 from attorneys retained by RTC and other defendants. Said  
5 statements concerned investigative work performed by Rick under  
6 the supervision of these counsel while serving the Church, and  
7 were requested by him in order to obtain licensing as a private  
8 investigator in the State of Texas. Said statements were  
9 rapidly made available to Rick Aznaran, and were thereafter  
10 successfully used by him to obtain the requisite license and  
11 establish a business as a private investigator.

12 FIRST CLAIM FOR RELIEF

13 (Against Vicki and Richard Aznaran for  
14 Breach of Contract)

15 18. RTC refers to, repeats and incorporates by reference  
16 as if fully set forth herein each and every averment of  
17 paragraph 1 to 17 inclusive.

18 19. RTC and other defendants have performed all material  
19 obligations under the Releases except where such performance has  
20 been rendered impossible or impracticable by plaintiffs'  
21 breaches.

22 20. In complete disregard of the language of the Releases  
23 signed and acknowledged by the Aznarans, the Aznarans, and each  
24 of them, have breached the not to sue covenants of the Releases  
25 by filing the instant lawsuit against RTC and other defendants.  
26 The Releases were intended to and did cover and release each  
27 claim made by the Aznarans in the complaint. The Aznarans at  
28 all times knew and were aware that the Releases covered the

1 claims now asserted by them and that such claims constitute  
2 breaches of the Releases.

3 21. As a direct result of the breaches of the Releases by  
4 Vicki and Richard Aznaran, RTC has been and continues to be  
5 damaged. As a result of the suit filed by the Aznarans in  
6 breach of the Releases, RTC has been sued and incurred among  
7 other things, attorney's fees and costs which constitute damages  
8 to RTC. To date RTC has incurred damages in excess of  
9 \$250,000.00. RTC also prays for appropriate injunctive relief  
10 to halt and prevent the continuing breach of contract by the  
11 Aznarans.

12 SECOND CLAIM FOR RELIEF

13 (Against Vicki and Richard Aznaran  
14 For Liquidated Damages)

15 22. RTC refers to, repeats and incorporates by reference  
16 as if fully set forth herein each and every averment of  
17 paragraphs 1 to 17 and 19 to 21, inclusive.

18 23. In direct breach of the confidentiality covenants  
19 contained in the Releases signed by them, Vicki and Richard  
20 Aznaran have voluntarily communicated with numerous individuals  
21 to reveal and discuss their experiences with and acquired  
22 knowledge about the Church of Scientology and RTC.

23 24. The persons with whom plaintiffs have voluntarily  
24 engaged in such communications include, but are not limited to,  
25 Joseph A. Yanny (defendants' former attorney), Jerold Fagelbaum  
26 (an attorney representing individuals in adversarial litigation  
27 with defendants), Welkos and Sappell (two reporters from the  
28 Los Angeles Times writing an article about Scientology),

1 Bent Corydon (an individual engaged in adversarial litigation  
2 with defendants), and government employees working for the  
3 Internal Revenue Service ("I.R.S."), and Department of Justice  
4 ("D.O.J.").

5 25. The Aznarans discussed their experiences with the  
6 Church with Yanny during a period when both the Aznarans and  
7 Yanny were contemplating litigation against RTC and others.  
8 Specifically, the Aznarans discussed the claims made in their  
9 complaint with Yanny and others, and discussed Yanny's claims as  
10 well.

11 26. Vicki and Richard Aznaran spent over 10 hours talking  
12 to Los Angeles Times reporters Welkos and Sappell about their  
13 experiences with RTC, the Church of Scientology and other  
14 defendants, assisting the reporters in the preparation of an  
15 article about RTC, the Church of Scientology and other  
16 defendants. The entire session was tape recorded by the  
17 Aznarans and by the reporters.

18 27. In 1988, the Aznarans called and met with Corydon and  
19 discussed their experiences with RTC and the Church with him  
20 during a time when Corydon was involved in litigation against  
21 RTC and others.

22 28. The Aznarans voluntarily met with Jerold Fagelbaum, an  
23 attorney representing litigants with interests adverse to those  
24 of RTC. The Aznarans discussed their experiences with RTC and  
25 the Church with him.

26 29. The Aznarans met with agents from the I.R.S. and  
27 volunteered information about their knowledge of and experiences  
28 with RTC and the Church.

1           30. Each and every one of the meetings referenced in  
2 paragraphs 23 to 29 occurred in direct breach of confidentiality  
3 covenants of the Releases signed by the Aznarans.

4           31. As a direct and proximate result of plaintiffs'  
5 respective breaches of the confidentiality covenants, RTC has  
6 suffered damages. The exact amount of such damages are  
7 impossible to calculate. Consequently, RTC is entitled to  
8 \$10,000 liquidated damages per breach from each  
9 plaintiff-counterdefendant pursuant to the terms set forth in  
10 paragraph 6C of the Releases. The total number of breaches and  
11 improper communications which occurred are to be proved at  
12 trial.

13                               THIRD CLAIM FOR RELIEF

14           (Against Vicki Aznaran for Breach of Fiduciary Duty)

15           32. RTC refers to, repeats and incorporates by reference  
16 as if fully set forth herein each and every averment of  
17 paragraphs 1 to 17, 19 to 21 and 23 to 31, inclusive.

18           33. As noted in paragraphs 12 through 16 above, defendants  
19 and Vicki Aznaran have signed a binding mutual release of all  
20 claims and covenant.

21           34. During Vicki Aznaran's tenure as president of RTC, RTC  
22 hired Joseph A. Yanny and the law firm of Herzig & Yanny to  
23 represent its legal interests. After Yanny was hired, Vicki  
24 Aznaran directed an unauthorized payment of a \$150,000 retainer  
25 (the "retainer") to Yanny for legal services.

26           35. The attorney-client relationship between Yanny, Herzig  
27 & Yanny and RTC was terminated in December of 1987. Shortly  
28 thereafter, a dispute arose between RTC and Yanny regarding the

1     retainer. RTC maintained and contended, and continues to  
2     maintain and contend, that the retainer was a refundable  
3     retainer when paid, and was to be applied against present or  
4     future bills. RTC had, and continues to have, a very strict  
5     policy regarding payment of retainers to outside counsel.  
6     Specifically, all retainers paid were always to be applied  
7     towards present or future bills and no non-refundable retainers  
8     were ever paid.

9             36. At all times during her tenure as president of RTC,  
10     Vicki Aznaran was aware of and entrusted to enforce all policies  
11     of RTC, including the policy prohibiting the payment of  
12     non-refundable retainer to outside counsel. RTC contended and  
13     contends that the retainer was non-refundable. However, if it  
14     is determined that Vicki Aznaran in her capacity as president  
15     authorized payment of a non-refundable retainer to Yanny, she  
16     did so in breach of the fiduciary duty owed to RTC and in  
17     knowing violation of policies of RTC. If determined refundable,  
18     Vicki Aznaran is liable for falsely supporting Joseph Yanny. In  
19     light of the nature of Yanny's standing with the California bar  
20     and the excessively large amount of the retainer, such action by  
21     Vicki Aznaran constituted malfeasance and gross breach of duty.

22             37. As a direct and proximate result of Vicki Aznaran's  
23     action, RTC has been damaged in the amount of \$150,000.

24                     FOURTH CLAIM FOR RELIEF

25                     (Against Vicki and Richard Aznaran for  
26                     Interference with Contractual Relations)

27             38. Defendants refer to, repeat and incorporate by  
28     reference as if fully set forth herein each and every averment



1 of paragraphs 1 to 17, 19 to 21, 23 to 31, 33 to 37 inclusive.

2 39. In or about March 1988, and in all likelihood prior to  
3 that time, Yanny, former counsel to RTC and others, embarked  
4 upon a course of conduct whereby Yanny affirmatively determined  
5 to ignore his fiduciary and ethical obligations to RTC and  
6 others and he affirmatively determined to counsel, advise, plan,  
7 draft, and even prosecute actions on behalf of others against  
8 RTC and other defendants. In aid and support of his scheme, the  
9 Aznarans joined with Yanny, Corydon, and others, with the  
10 express purpose of damaging or destroying RTC and other  
11 defendants.

12 40. A series of clandestine meetings occurred at Yanny's  
13 home and at various law offices and elsewhere in which one or  
14 both of the Aznarans were active participants. Those meetings  
15 included planning, strategizing, researching, assigning projects  
16 in connection with, and otherwise creating the theories and  
17 documents that since have become, among other things, the  
18 foundation for the Aznarans' instant litigation against RTC and  
19 others.

20 41. The Aznarans, and each of them, knew that Yanny owed  
21 fiduciary and contractual duties of confidentiality to RTC to  
22 preserve and maintain the privileged communications divulged by  
23 RTC to Yanny. Additionally, Vicki Aznaran, as a former officer  
24 of RTC, owed certain fiduciary duties to RTC.

25 42. In deliberate disregard of the fiduciary and  
26 contractual duties owed to RTC and others, Vicki and Richard  
27 Aznaran conspired with others to induce Yanny to breach his  
28 fiduciary and contractual duties owed to RTC. Specifically,

1 among other things, Vicki and Richard Aznaran encouraged and  
2 induced Yanny to:

3 (a) discuss with the Aznarans (and others) those areas  
4 in which Yanny, on the basis of his knowledge of confidential  
5 and privileged information, believed RTC to be vulnerable to the  
6 lawsuit by the Aznarans;

7 (b) disclose to the Aznarans (and others) confidential  
8 and privileged information regarding RTC, which Yanny had  
9 obtained in the course of his representation of RTC;

10 (c) rely upon and discuss with the Aznarans (and  
11 others) confidential and privileged documents and records of  
12 RTC, which Yanny had surreptitiously photocopied prior to  
13 returning such documents and records to defendants upon the  
14 termination of Yanny's representation of defendants;

15 (d) undertake to represent the Aznarans against RTC in  
16 the instant litigation.

17 43. The Aznarans joined together the others, in the manner  
18 set forth in paragraphs 39 through 42, inclusive, with the  
19 express purpose of damaging and destroying RTC and other  
20 defendants. Through their joint conduct, the Aznarans along  
21 with others have unlawfully conspired to interfere with RTC's  
22 contractual rights and with the fiduciary relationship between  
23 RTC and its former attorneys.

24 44. As a direct and proximate result of the foregoing  
25 conduct, RTC has sustained damages in an amount exceeding  
26 \$250,000.

27 45. The acts of Vicki and Richard Aznaran herein alleged  
28 were performed oppressively, fraudulently, and maliciously, and

1 with the express purpose of injuring RTC. Accordingly, RTC is  
2 entitled to punitive and exemplary damages in an amount to be  
3 determined at trial.

4 FIFTH CAUSE OF ACTION

5 (Against Vicki Aznaran for Breach of Fiduciary Duty)

6 46. Defendants refer to, repeat and incorporate by  
7 reference as if fully set forth herein each and every averment  
8 of paragraphs 1 to 17, 19 to 21, 23 to 31, 33 to 37, and 39 to  
9 45 inclusive

10 47. As the President and Chief Executive Officer of RTC,  
11 Vicki Aznaran was provided with substantial confidential  
12 corporate, legal, accounting and ecclesiastical information.  
13 Ms. Aznaran was in a position of trust and confidence with RTC  
14 to protect and defend such information from being used in any  
15 manner contrary to the best interests of RTC. RTC relied upon  
16 the verbal and written assurances of Ms. Aznaran that she would  
17 maintain the confidentiality of the information which had been  
18 provided to her, and that she would not use such information  
19 contrary to the interests of the defendant.

20 48. Despite Ms. Aznaran's position of trust with  
21 defendant, she intentionally and knowingly sought to and did  
22 breach such duties by the provision of such confidential  
23 information to third parties not authorized to receive  
24 defendants' confidential information, as described more fully in  
25 the First, Second, Third and Fourth Causes of Action.

26 49. As a direct result of the breaches of fiduciary duty  
27 by Vicki Aznaran, RTC has been and continues to be damaged, in  
28 an amount to be determined at trial of this lawsuit.

1           50. The acts of Vicki Aznaran herein alleged were  
2 performed oppressively, fraudulently, and maliciously, and with  
3 the express purpose of injuring RTC. Accordingly, RTC is  
4 entitled to punitive and exemplary damages in an amount to be  
5 determined at trial.

6           WHEREFORE, RTC prays for judgment against plaintiffs-  
7 counterdefendants as follows:

8                   ON THE FIRST CLAIM FOR RELIEF

9           1. For compensatory damages from Vicki and Richard Aznaran  
10 in an amount exceeding \$250,000 to be proved at trial, and an  
11 injunction to immediately halt plaintiffs' wrongful conduct.

12                   ON THE SECOND CLAIM FOR RELIEF

13           1. For liquidated damages from Vicki Aznaran in the sum of  
14 at least \$10,000 per breach for each breach proved at trial.

15           2. For liquidated damages from Richard Aznaran in the sum  
16 of at least \$10,000 per breach for each breach proved at trial.

17                   ON THE THIRD CLAIM FOR RELIEF

18           1. For compensatory damage from Vicki Aznaran in the sum  
19 of \$150,000.

20                   ON THE FOURTH CLAIM FOR RELIEF

21           1. For compensatory damages in an amount exceeding  
22 \$250,000 as proved at trial.

23           2. For punitive damages in a sum to be determined at  
24 trial.

25                   ON THE FIFTH CLAIM FOR RELIEF

26           1. For compensatory damages in an amount to be proven at  
27 trial.

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2. For punitive damages in a sum to be determined at trial.

ON ALL CLAIMS FOR RELIEF

1. For pre-judgment and post-judgment interest.
2. For such other and further relief as the Court deems just and proper.

Dated: September 19, 1988

WYMAN, BAUTZER, KUCHEL & SILBERT  
Howard L. Weitzman, P.C.  
James H. Berry, Jr.  
William T. Drescher

By: James H. Berry, Jr.  
James H. Berry, Jr.

COOLEY, MANION, MOORE & JONES,  
P.C.

By: Earle C. Cooley  
Earle C. Cooley

Attorneys for Defendant  
RELIGIOUS TECHNOLOGY CENTER

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DEMAND FOR JURY TRIAL

Defendant-counterclaimant Religious Technology Center  
demands trial by jury on all issues in this action.

Dated: September 19, 1988

WYMAN, BAUTZER, KUCHEL & SILBERT  
Howard L. Weitzman, P.C.  
James H. Berry, Jr.  
William T. Drescher

By: James H. Berry, Jr.  
James H. Berry, Jr.

COOLEY, MANION, MOORE & JONES,  
P.C.

By: Earle C. Cooley  
Earle C. Cooley

Attorneys for Defendant  
RELIGIOUS TECHNOLOGY CENTER

**EXHIBIT A**

LOAN AGREEMENT  
-----

WHEREAS, Rick Aznaran and Vicki Aznaran have been long term staff and officers of the Church of Scientology. AND WHEREAS, the Church of Scientology International wishes to assist them in their transition and relocation to public life.

It is agreed that the Church of Scientology International shall loan Rick Aznaran and Vicki Aznaran the sum total of \$ 20,000.00 at an interest rate of 5% per annum. The interest shall be repaid annually, on or before the 31st of December of each year. The entire principal and balance of interest shall be repaid in full at the end of 10 years from the date of this agreement.

Should Rick and Vicki Aznaran return to staff, the principal is payable in full at that time and any outstanding interest will be waived.

If any part of the principal is paid off before the end of the due date above, the interest is only payable on the remaining balance.

Rick Aznaran and Vicki Aznaran are liable for repayment of the principal and interest both jointly and severally.


031



All repayment checks are to be made payable to Church of Scientology International.

DATE: 14 April 1987

CHURCH OF SCIENTOLOGY  
INTERNATIONAL



RICK AZNARAN

DATE: 9 Apr 87

DATE: 9 April '87



VICKI AZNARAN

**EXHIBIT B**

MUTUAL RELEASE AGREEMENT  
-----

1. This MUTUAL RELEASE AGREEMENT is made and entered into by and between VICKI AZNARAN and the Religious Technology Center; Church of Scientology International; Church of Scientology of California; Church of Spiritual Technology; all other Scientology organizations or entities as well as the officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns, and legal counsel of each of the forgoing organizations or entities; Pat Broeker and Anne Broeker (hereinafter collectively referred to as the "CHURCH"); and Author Services Incorporated, it's officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns and legal counsel; the Estate of L. Ron Hubbard, it's executor, beneficiaries, legal counsel and employees; Author's Family Trust, it's trustee, employees, beneficiaries, and legal counsel (hereinafter collectively referred to as the "ESTATE/ASI").

2. The CHURCH agrees to indemnify VICKI AZNARAN against any damages stemming from lawsuits which exist now or are brought against her in the future arising out of her association with the Church of Scientology or any posts she has held in the Church. It is understood that as a part of this agreement the CHURCH will provide free legal counsel to VICKI AZNARAN providing she cooperates fully with the CHURCH and CHURCH attorneys and she contacts the CHURCH immediately when she becomes aware of any potential or real legal threat to herself and/or the CHURCH.

3. For and in consideration of the above mutual covenants, conditions and release contained herein, VICKI AZNARAN does hereby release, acquit and forever discharge for herself, her heirs, successors, executors, administrators and assigns, the CHURCH and the ESTATE/ASI from any and all claims, demands, damages, actions and causes of action of every kind and nature, known or unknown, from the beginning of time to and including the date hereof.

4. For and in consideration of the mutual covenants, conditions and release contained herein, the CHURCH and the ESTATE/ASI do hereby release, acquit and forever discharge for it, its successors and assigns, VICKI AZNARAN, her agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by VICKI AZNARAN from the beginning of time to and including the date hereof.

5. It is understood that this mutual release is not an admission of liability on the part of any party to this Agreement. In executing this Release Agreement, VICKI AZNARAN acknowledges that she has released the organizations, individuals and entities listed in Paragraph 1.

6. Further, the undersigned hereby agree to the following:

A. That liability for any claims is expressly denied by each party herein released, and this Agreement shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. VICKI AZNARAN has been fully advised and understands that any alleged injuries or alleged money claims sustained by her are of such character that the full extent and type of injuries or money claims may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, damages may be sustained by VICKI AZNARAN; nevertheless, VICKI AZNARAN desires by this document to forever and fully release the CHURCH and the ESTATE/ASI. VICKI AZNARAN understands that by the execution of this release no claims arising out of her experience with, or actions by, the CHURCH and the ESTATE/ASI, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by her or on her behalf, against the CHURCH and the ESTATE/ASI.

C. VICKI AZNARAN agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing, or to broadcast, or to assist another to create, write, film or video tape or audio tape, any show, program or movie, concerning her experiences with the Church of Scientology, or personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard, or any entities and individuals listed in Paragraph 1 above. VICKI AZNARAN further agrees that she will maintain strict confidentiality and silence with respect to her experiences with the Church of Scientology and any knowledge or information she may have concerning the Church of

Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. VICKI AZNARAN expressly understands that the non-disclosure provisions of this subparagraph shall apply, but not be limited to, the contents or substance of any documents she may have possessed while in the Church including but not limited to any tapes, films, photographs, or variations thereof which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. VICKI AZNARAN agrees that if the terms of this paragraph are breached by her, that the aggrieved party listed hereinabove would be entitled to liquidated damages in the amount of \$10,000 for each such breach. The reasonableness of the amount of such damages are hereto acknowledged by VICKI AZNARAN.

D. VICKI AZNARAN agrees to return to the CHURCH at the time of the consummation of this Agreement, all materials in her possession, custody or control of any nature - except for any materials she personally possesses that are generally publically available and sold by the Church or their authorized agents - any documents, papers, memorandums, tapes, films, photographs, or any variations thereof which concern or relate to the religion of Scientology or any of the persons or entities listed in Paragraph 1 above.

E. VICKI AZNARAN agrees that she will not voluntarily assist or cooperate with any person adverse to the religion of Scientology in any proceeding against any of the Scientology organizations, or cooperate with any person adverse to any of the organizations, individuals or entities listed in

Paragraph 1 above in any proceeding against any of the organizations, individuals, or entities listed in Paragraph 1 above. VICKI AZNARAN also agrees that she will not cooperate in any manner with any organizations aligned against Scientology or any of the organizations, individuals, or entities listed in Paragraph 1 above.

F. VICKI AZNARAN agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the organizations, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Unless required to do so by such subpoena, VICKI AZNARAN agrees not to discuss her experiences or personal or indirectly acquired knowledge or information concerning the organizations, individuals, or entities listed in Paragraph 1, with anyone other than members of her immediate family. VICKI AZNARAN shall not make herself amenable to service of any such subpoena in a manner which invalidates the intent of this agreement. As provided hereinafter in Paragraph 16, the contents of this Agreement may not be disclosed.

G. VICKI AZNARAN hereby acknowledges and affirms that she is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that her ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

7. This Release Agreement contains the entire Agreement between the parties hereto, and the terms of this Release are contractual and not a mere recital. This Release may be

amended only by a written instrument executed by the undersigned. The parties hereto have carefully read and understand the contents of this Release Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

8. VICKI AZNARAN agrees that she will not assist or advise anyone, including partnerships, associations or corporations, contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

9. The parties to this Agreement acknowledge that all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will.

10. In the event any provision hereof is unenforceable, such provision shall not affect the enforceability of any other provision hereof.

11. Each party warrants that it has had an opportunity to seek independent legal advice with respect to the advisability of making the settlement provided for herein and in executing this Agreement. Notwithstanding, VICKI AZNARAN warrants that she fully understand the full nature and legal consequences of this agreement.



12. The parties to this Agreement acknowledge that all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have had the opportunity to seek advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement.

13. The parties hereto acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party or of any officer, agent, employee, representative or attorney for the other party.

14. The parties to this Agreement agree that all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

15. Each party warrants that the persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

16. The parties hereto each agree not to disclose the contents of this executed Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement, on the day opposite their names.

Dated: 9 Apr '87

Vicki Aznaran  
VICKI AZNARAN

Dated: 13 April 87

RELIGIOUS TECHNOLOGY CENTER

By: [Signature]

Dated: 14 April 1987

CHURCH OF SCIENTOLOGY INTERNATIONAL

By: [Signature]

Dated: 13 April 1987

CHURCH OF SCIENTOLOGY CALIFORNIA

By: [Signature]

Dated: 9 April 1987

CHURCH OF SPIRITUAL TECHNOLOGY

By: [Signature]

Dated: 13 April 1987

AUTHOR SERVICES INC.

By: [Signature]

Dated: 13 April 1987

ESTATE OF L. RON HUBBARD

By: [Signature]

Dated: 13 April 1987

AUTHOR'S FAMILY TRUST

By: [Signature]

**EXHIBIT C**

MUTUAL RELEASE AGREEMENT

1. THIS MUTUAL RELEASE AGREEMENT is made and entered into by and between RICK AZNARAN and the Religious Technology Center; Church of Scientology International; Church of Scientology of California; Church of Spiritual Technology; all other Scientology organizations or entities as well as the officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns, and legal counsel of each of the forgoing organizations or entities; Pat Broeker and Anne Broeker (hereinafter collectively referred to as the "CHURCH"); and Author Services Incorporated, it's officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns and legal counsel; the Estate of L. Ron Hubbard, it's executor, beneficiaries, legal counsel and employees; Author's Family Trust, it's trustee, employees, beneficiaries, and legal counsel (hereinafter collectively referred to as the "ESTATE/ASI").

2. The CHURCH agrees to indemnify RICK AZNARAN against any damages stemming from lawsuits which exist now or are brought against him in the future arising out of his association with the Church of Scientology or any posts he has held in the Church. It is understood that as a part of this agreement the CHURCH will provide free legal counsel to RICK AZNARAN providing he cooperates fully with the CHURCH and CHURCH attorneys and he contacts the CHURCH immediately when he becomes aware of any potential or real legal threat to himself and/or the CHURCH.

above mutual

covenants, conditions and release contained herein, RICK AZNARAN do hereby release, acquit and forever discharge for himself, his heirs, successors, executors, administrators and assigns, the CHURCH and the ESTATE/ASI from any and all claims, demands, damages, actions and causes of action of every kind and nature, known or unknown, from the beginning of time to and including the date hereof.

4. For and in consideration of the mutual covenants, conditions and release contained herein, the CHURCH and the ESTATE/ASI do hereby release, acquit and forever discharge for it, its successors and assigns, RICK AZNARAN, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by RICK AZNARAN from the beginning of time to and including the date hereof.

5. It is understood that this mutual release is not an admission of liability on the part of any party to this Agreement. In executing this Release Agreement, RICK AZNARAN acknowledges that he has released the organizations, individuals and entities listed in Paragraph 1.

6. Further, the undersigned hereby agree to the following:

A. That liability for any claims is expressly denied by each party herein released, and this Agreement shall never be treated as an admission of liability or responsibility at any time for any purpose.

that any alleged injuries or alleged money claims sustained by him are of such character that the full extent and type of injuries or money claims may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, damages may be sustained by RICK AZNARAN; nevertheless, RICK AZNARAN desires by this document to forever and fully release the CHURCH and the ESTATE/ASI. RICK AZNARAN understands that by the execution of this release no claims arising out of his experience with, or actions by, the CHURCH and the ESTATE/ASI, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the CHURCH and the ESTATE/ASI.

C. RICK AZNARAN agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing, or to broadcast, or to assist another to create, write, film or video tape or audio tape, any show, program or movie, concerning his experiences with the Church of Scientology, or personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard, or any entities and individuals listed in Paragraph 1 above. RICK AZNARAN further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of

Scientology L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. RICK AZNARAN expressly understands that the non-disclosure provisions of this subparagraph shall apply, but not be limited to, the contents or substance of any documents he may have possessed while in the Church including but not limited to any tapes, films, photographs, or variations thereof which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. RICK AZNARAN agrees that if the terms of this paragraph are breached by him, that the aggrieved party listed hereinabove would be entitled to liquidated damages in the amount of \$10,000 for each such breach. The reasonableness of the amount of such damages are hereto acknowledged by RICK AZNARAN.

D. RICK AZNARAN agrees to return to the CHURCH at the time of the consummation of this Agreement, all materials in his possession, custody or control of any nature - except for any materials he personally possesses that are generally publically available and sold by the Church or their authorized agents - any documents, papers, memorandums, tapes, films, photographs, or any variations thereof which concern or relate to the religion of Scientology or any of the persons or entities listed in Paragraph 1 above.

E. RICK AZNARAN agrees that he will not voluntarily assist or cooperate with any person adverse to the religion of Scientology in any proceeding against any of the Scientology organizations, or cooperate with any person adverse to any of the organizations, individuals, and entities listed in

Paragraph 7 above in any proceeding against any of the organizations, individuals, or entities listed in Paragraph 1 above. RICK AZNARAN also agrees that he will not cooperate in any manner with any organizations aligned against Scientology and any of the organizations, individuals, and entities listed in Paragraph 1 above.

F. RICK AZNARAN agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the organizations, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Unless required to do so by such subpoena, RICK AZNARAN agrees not to discuss his experiences or personal or indirectly acquired knowledge or information concerning the organizations, individuals, or entities listed in Paragraph 1, with anyone other than members of his immediate family. RICK AZNARAN shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this agreement. As provided hereinafter in Paragraph 16, the contents of this Agreement may not be disclosed.

G. RICK AZNARAN hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

7. This Release Agreement contains the entire Agreement between the parties hereto, and the terms of this Release are contractual and not a mere recital. This Release may be



amended only by a written instrument executed by the undersigned. The parties hereto have carefully read and understand the contents of this Release Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

8. RICK AZNARAN agrees that he will not assist or advise anyone, including partnerships, associations or corporations, contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

9. The parties to this Agreement acknowledge that all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will.

10. In the event any provision hereof is unenforceable, such provision shall not affect the enforceability of any other provision hereof.

11. Each party warrants that it has had an opportunity to seek independent legal advice with respect to the advisability of making the settlement provided for herein and in executing this Agreement. Notwithstanding, RICK AZNARAN warrants that he fully understand the full nature and legal consequences of this agreement.

12. The parties to this Agreement acknowledge that all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have had the opportunity to seek advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement.

13. The parties hereto acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party or of any officer, agent, employee, representative or attorney for the other party.

14. The parties to this Agreement agree that all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

15. Each party warrants that the persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

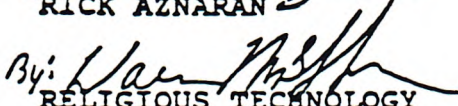
16. The parties hereto each agree not to disclose the contents of this executed Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement, on the date opposite their names.

Dated: 9 Apr 87

  
RICK AZNARAN


Dated: 13 April 1987

By:   
RELIGIOUS TECHNOLOGY CENTER

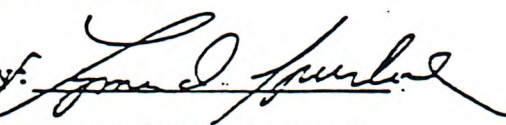
Dated: 14 April 1987

By:   
CHURCH OF SCIENTOLOGY INTERNATIONAL

Dated: 13 April 1987

By:   
CHURCH OF SCIENTOLOGY CALIFORNIA


Dated: 12 April 1987

By:   
CHURCH OF SPIRITUAL TECHNOLOGY

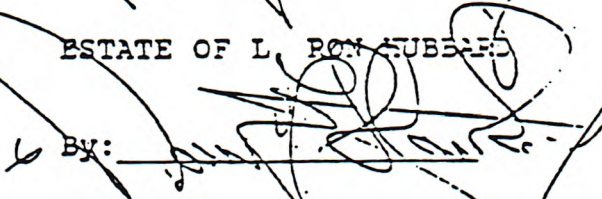
Dated: 13 April 1987

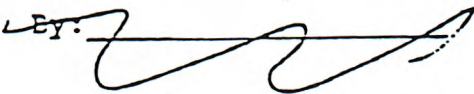
By:   
AUTHOR SERVICES INC

Dated: 13 April 1987

By:   
ESTATE OF L. RON HUBBARD

Dated: 13 April 1987

By:   
AUTHOR'S FAMILY TRUST

By: 

PROOF OF SERVICE

STATE OF CALIFORNIA     )  
                                  )    ss.  
COUNTY OF LOS ANGELES   )

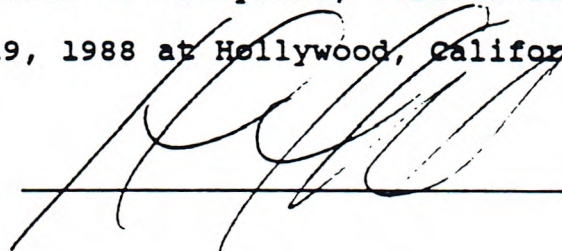
I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On September 19, 1988, I served the foregoing document described as ANSWER AND COUNTERCLAIM OF RELIGIOUS TECHNOLOGY CENTER; DEMAND FOR JURY TRIAL on interested parties by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Hollywood, California, addressed as follows:

SEE ATTACHED LIST

If hand service is indicated on the attached list, I caused such envelope to be served by hand, otherwise I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on September 19, 1988 at Hollywood, California.

A handwritten signature in black ink, appearing to be 'R. P. ...', is written over a horizontal line.

111

1 Eric Lieberman  
 2 RABINOWITZ, BOUDIN, STANDARD,  
 3 KRINSKY & LIEBERMAN, P.C.  
 4 740 Broadway @ Astor Place  
 5 5th Floor  
 6 New York, NY 10003-9518  
 7 (212

8 Kendrick L. Moxon  
 9 BOWLES & MOXON  
 10 6255 Sunset Blvd.  
 11 Suite 2000  
 12 Hollywood, CA 90028  
 13 (213) 661-4030

14 Attorneys for Defendant and Counterclaimant  
 15 CHURCH OF SCIENTOLOGY INTERNATIONAL

16 UNITED STATES DISTRICT COURT  
 17 CENTRAL DISTRICT OF CALIFORNIA

18	VICKI J. AZNARAN and	)	CASE No. CV 88-1786 JMI(Ex)
19	RICHARD N. AZNARAN,	)	
20		)	ANSWER AND COUNTERCLAIM
21	Plaintiffs,	)	OF CHURCH OF SCIENTOLOGY
22		)	INTERNATIONAL; DEMAND FOR JURY
23		)	TRIAL
24	v.	)	
25		)	
26	CHURCH OF SCIENTOLOGY OF	)	
27	CALIFORNIA, et al.,	)	
28		)	
29	Defendants.	)	
30		)	
31	CHURCH OF SCIENTOLOGY	)	
32	INTERNATIONAL,	)	
33		)	
34	Counterclaimant,	)	
35		)	
36	v.	)	
37		)	
38	VICKI J. AZNARAN and	)	
39	RICHARD N. AZNARAN,	)	
40		)	
41	Counterdefendants.)	)	

42 Defendant Church of Scientology International (hereinafter  
 43 "Defendant"), for itself only and for no other Defendant,  
 44

1 answers plaintiffs' complaint in this action as follows:

2 1. Defendant admits the averments of paragraph 1 insofar  
3 as there is diversity of citizenship; but denies that the amount  
4 in controversy between plaintiffs and this Defendant exceeds  
5 \$10,000. This Defendant admits that it has its principal  
6 offices within this district. This Defendant neither admits nor  
7 denies the averments pertaining to other defendants and says  
8 that said averments should be answered by said other defendants  
9 if and when they are required to do so. Defendant lacks  
10 knowledge or information sufficient to form a belief as to the  
11 truth of the remainder of the averments and, on that ground,  
12 denies those averments.

13 2. Defendant is informed and believes and on that basis  
14 admits the truth of the averments in paragraph 2.

15 3. This Defendant admits that it is a California  
16 non-profit religious corporation, having its principal offices  
17 in the State of California. This Defendant neither admits nor  
18 denies the averments pertaining to other defendants and says  
19 that said averments should be answered by said other defendants  
20 if and when they are required to do so.

21 4. This Defendant lacks knowledge or information  
22 sufficient to form a belief as to the truth of the averments  
23 contained in paragraph 4 and on that basis denies each of these  
24 averments. With respect to MOWW, this Defendant avers that  
25 there is no such entity.

26 5. This Defendant neither admits nor denies the averments  
27 pertaining to other defendants and says that said averments  
28 should be answered by said other defendants if and when they are

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required to do so.

6. This Defendant denies each and every averment of paragraph 6.

7. This Defendant denies each and every averment of paragraph 7.

8. This Defendant denies each and every averment of paragraph 8.

9. This Defendant is informed and believes and on that basis admits that plaintiffs were members of Churches of Scientology and that plaintiffs became members of the Church in Dallas, Texas; that plaintiffs voluntarily took various Scientology courses, voluntarily received various Scientology services and voluntarily held various staff positions in Churches of Scientology, and with this Defendant. This Defendant denies the remainder of the averments in paragraph 9.

10. This Defendant denies each and every averment of paragraph 10.

11. This Defendant denies each and every averment of paragraph 11.

12. This Defendant denies each and every averment of paragraph 12.

13. This Defendant denies each and every averment of paragraph 13.

14. This Defendant denies each and every averment of paragraph 14.

15. This Defendant admits the averment in paragraph 15 that plaintiff Vicki Aznaran was at one time a member of the



1 Commodore's Messenger Organization. Defendant denies the  
2 remainder of the averments in paragraph 15.

3 16. This Defendant denies each and every averment of  
4 paragraph 16.

5 17. This Defendant denies each and every averment of  
6 paragraph 17.

7 18. This Defendant denies each and every averment of  
8 paragraph 18.

9 19. This Defendant is informed and believes and on that  
10 basis admits that plaintiff Richard Aznaran worked at a ranch in  
11 the San Luis Obispo area during portions of 1986 and 1987.  
12 Defendant denies the remainder of the averments in paragraph 19.

13 20. This Defendant denies each and every averment of  
14 paragraph 20.

15 21. This Defendant denies each and every averment of  
16 paragraph 21.

17 22. This Defendant denies each and every averment of  
18 paragraph 22.

19 23. This Defendant denies each and every averment of  
20 paragraph 23.

21 24. This Defendant denies each and every averment of  
22 paragraph 24.

23 25. This Defendant denies each and every averment of  
24 paragraph 25.

25 26. Defendant admits that plaintiffs left California and  
26 went to Texas and denies the remainder of the averments in  
27 paragraph 26.

28 27. This Defendant is informed and believes and on that

1 basis admits that a "Freeloader Bill," as that term is  
2 understood by this Defendant, was sent to plaintiffs at their  
3 request. This Defendant says that that Freeloader Bill speaks  
4 for itself. This Defendant denies the remainder of the  
5 averments in paragraph 27.

6 28. This Defendant denies each and every averment of  
7 paragraph 28.

8 29. In answering the averments contained in paragraph 29  
9 wherein plaintiffs adopt by reference paragraphs 2 through 28 of  
10 their common averments, this Defendant admits, denies and avers  
11 to the same effect and in the same manner as this Defendant  
12 admitted, denied and averred with respect to those specific  
13 paragraphs as previously set forth in this answer.

14 30. This Defendant denies each and every averment of  
15 paragraph 30.

16 31. This Defendant denies each and every averment of  
17 paragraph 31.

18 32. This Defendant denies each and every averment of  
19 paragraph 32.

20 33. This Defendant denies each and every averment of  
21 paragraph 33.

22 34. In answering the averments contained in paragraph 34  
23 wherein plaintiffs adopt by reference paragraphs 2 through 33 of  
24 their complaint, this Defendant admits, denies, and avers to  
25 the same effect and in the same manner as this Defendant  
26 admitted, denied and averred with respect to those specific  
27 paragraphs as previously set forth in this Answer.

28 35. This Defendant admits that Churches of Scientology

1 render religious services of a spiritual nature based on the  
2 religious beliefs of Scientology. This Defendant denies the  
3 remainder of the averments contained in paragraph 35.

4 36. This Defendant denies each and every averment of  
5 paragraph 36.

6 37. This Defendant denies each and every averment of  
7 paragraph 37.

8 38. This Defendant denies each and every averment of  
9 paragraph 38.

10 39. In answering the averments contained in paragraph 39  
11 wherein plaintiffs adopt by reference paragraphs 2 through 39 of  
12 their complaint, this Defendant admits, denies and avers to  
13 the same effect and in the same manner as this Defendant  
14 admitted, denied and averred with respect to those specific  
15 paragraphs as previously set forth in this Answer.

16 40. This Defendant admits that Churches of Scientology  
17 render religious services of a spiritual nature based on the  
18 religious beliefs of Scientology. This Defendant denies the  
19 remainder of the averments contained in paragraph 40.

20 41. This Defendant denies each and every averment of  
21 Paragraph 41.

22 42. This Defendant denies each and every averment of  
23 Paragraph 42.

24 43. In answering the averments contained in Paragraph 43  
25 wherein plaintiffs adopt by reference paragraphs 2 through 42 of  
26 their complaint, this Defendant admits, denies, and avers to  
27 the same effect and in the same manner as this Defendant  
28 admitted, denied and averred with respect to those specific

1 paragraphs as previously set forth in this Answer.

2 44. This Defendant denies each and every averment of  
3 paragraph 44.

4 45. This Defendant denies each and every averment of  
5 paragraph 45.

6 46. This Defendant denies each and every averment of  
7 paragraph 46.

8 47. In answering the averments contained in paragraph 47  
9 wherein plaintiffs adopt by reference paragraphs 2 through 46 of  
10 their complaint, this Defendant admits, denies, and avers to  
11 the same effect and in the same manner as this Defendant  
12 admitted, denied and averred with respect to those specific  
13 paragraphs previously set forth in this Answer.

14 48. This Defendant denies each and every averment of  
15 paragraph 48.

16 49. This Defendant denies each and every averment of  
17 paragraph 49.

18 50. This Defendant denies each and every averment of  
19 paragraph 50.

20 51. This Defendant denies each and every averment of  
21 paragraph 51.

22 52. This Defendant denies each and every averment of  
23 paragraph 52.

24 53. In answering the averments contained in paragraph 53  
25 wherein plaintiffs adopt by reference paragraphs 2 through 52 of  
26 their complaint, this Defendant admits, denies, and alleges to  
27 the same effect and in the same manner as this Defendant  
28 admitted, denied and averred with respect to those specific

1 paragraphs previously set forth in this Answer.

2 54. This Defendant admits that Churches of Scientology  
3 render religious services of a spiritual nature based on the  
4 religious beliefs of Scientology. This Defendant denies the  
5 remainder of the averments contained in paragraph 54.

6 55. This Defendant denies each and every averment of  
7 paragraph 55.

8 56. This Defendant denies each and every averment of  
9 paragraph 56.

10 57. This Defendant denies each and every averment of  
11 paragraph 57.

12 58. This Defendant denies each and every averment of  
13 paragraph 58.

14 59. This Defendant denies each and every averment of  
15 paragraph 59.

16 60. In answering the averments contained in paragraph 60  
17 wherein plaintiffs adopt by reference paragraphs 2 through 59 of  
18 their complaint, this Defendant admits, denies and avers to  
19 the same effect and in the same manner as this Defendant  
20 admitted, denied and averred with respect to those specific  
21 paragraphs previously set forth in this Answer.

22 61. This Defendant denies each and every averment of  
23 paragraph 61.

24 62. This Defendant denies each and every averment of  
25 paragraph 62.

26 63. This Defendant denies each and every averment of  
27 paragraph 63.

28 64. In answering the averments contained in paragraph 60

1 wherein plaintiffs adopt by reference paragraphs 2 through 59 of  
2 their complaint, this Defendant admits, denies and avers to  
3 the same effect and in the same manner as this Defendant  
4 admitted, denied and averred with respect to those specific  
5 paragraphs previously set forth in this Answer.

6 65. This Defendant admits that the Churches of Scientology  
7 have a policy with respect to return of donations. This  
8 Defendant avers that said policy is in writing and publicly  
9 available and that it speaks for itself. This Defendant denies  
10 the characterization of said policy as set forth by plaintiffs  
11 in paragraph 65.

12 66. This Defendant denies each and every averment of  
13 paragraph 66.

14 67. This Defendant denies each and every averment of  
15 paragraph 67.

16 68. This Defendant denies each and every averment of  
17 paragraph 68.

18 69. This Defendant denies each and every averment of  
19 paragraph 69.

20 70. In answering the averments contained in paragraph 70  
21 wherein plaintiffs adopt by reference paragraphs 2 through 69 of  
22 their complaint, this Defendant admits, denies, and avers to  
23 the same effect and in the same manner as this Defendant  
24 admitted, denied and averred with respect to those specific  
25 paragraphs previously set forth in this Answer.

26 71. This Defendant denies each and every averment of  
27 paragraph 71.

28 72. This Defendant denies each and every averment of

1 paragraph 72.

2 73. This Defendant denies each and every averment of  
3 paragraph 73.

4 74. This Defendant denies each and every averment of  
5 paragraph 74.

6 75. This Defendant denies each and every averment of  
7 paragraph 75.

8 76. In answering the averments contained in paragraph 76  
9 wherein plaintiffs adopt by reference paragraphs 2 through 75 of  
10 their complaint, this Defendant admits, denies, and avers to  
11 the same effect and in the same manner as this Defendant  
12 admitted, denied and averred with respect to those specific  
13 paragraphs previously set forth in this Answer.

14 77. This Defendant denies each and every averment of  
15 paragraph 77.

16 78. This Defendant denies each and every averment of  
17 paragraph 78.

18 79. This Defendant denies each and every averment of  
19 paragraph 79.

20 80. In answering the averments contained in paragraph 80  
21 wherein plaintiffs adopt by reference paragraphs 2 through 79 of  
22 their complaint, this Defendant admits, denies, and avers to  
23 the same effect and in the same manner as this Defendant  
24 admitted, denied and averred with respect to those specific  
25 paragraphs previously set forth in this Answer.

26 81. This Defendant admits that Churches of Scientology  
27 render religious services of a spiritual nature based on the  
28 religious beliefs of Scientology. This Defendant denies the

1 remainder of the averments contained in paragraph 81.

2 82. This Defendant denies each and every averment of  
3 paragraph 82.

4 83. This Defendant denies each and every averment of  
5 paragraph 83.

6 84. This Defendant denies each and every averment of  
7 paragraph 84.

8 85. This Defendant denies each and every averment of  
9 paragraph 85.

10 FIRST AFFIRMATIVE DEFENSE

11 86. The Complaint fails to state any claim upon which  
12 relief may be granted.

13 SECOND AFFIRMATIVE DEFENSE

14 87. Plaintiffs' claims in this action, and each of them,  
15 are barred by applicable statutes of limitations, including but  
16 not limited to, those found in California Code of Civil  
17 Procedure §§ 338(1), 338(3), 338(4), 339(1), 340(1), 340(3),  
18 and 343.

19 THIRD AFFIRMATIVE DEFENSE

20 88. The claims asserted by Vicki Aznaran, and each of  
21 them, are barred by a Mutual Settlement and Release, duly  
22 executed by Vicki Aznaran. The release between the parties  
23 covers and includes each claim in the Complaint and precludes  
24 Vicki Aznaran from bringing these claims, and each of them, or  
25 any other claims against Defendant.

26 FOURTH AFFIRMATIVE DEFENSE

27 89. The claims asserted by Richard Aznaran, and each of  
28 them, are barred by a Mutual Settlement and Release, duly



1 executed by Richard Aznaran. The release between the parties  
2 covers and includes each claim in the Complaint and precludes  
3 Richard Aznaran from bringing these claims, and each of them, or  
4 any other claims against Defendant.

5 FIFTH AFFIRMATIVE DEFENSE

6 90. The two duly executed Mutual Settlement and Releases  
7 described herein constitute an accord and satisfaction of each  
8 and every claim made in the Complaint.

9 SIXTH AFFIRMATIVE DEFENSE

10 91. Plaintiffs, and each of them, are estopped by their  
11 conduct from asserting any purported claims for relief against  
12 Defendant, including but not limited to all alleged conduct of  
13 this Defendant intentionally or negligently directed, authorized  
14 or ratified by plaintiff Vicki Aznaran during her tenure as  
15 President of Religious Technology Center.

16 SEVENTH AFFIRMATIVE DEFENSE

17 92. Plaintiffs, and each of them, have waived all right,  
18 if any they ever had, to any and all recovery sought by the  
19 Complaint.

20 EIGHTH AFFIRMATIVE DEFENSE

21 93. Plaintiffs at all times voluntarily, knowingly and  
22 willingly assumed any and all risk arising from their  
23 participation in and/or association with the defendant herein  
24 with respect to all incidents and activities, including those  
25 referred to in the Complaint. Any and all claimed "injuries" or  
26 damages were proximately caused by plaintiffs' own conduct.

27 NINTH AFFIRMATIVE DEFENSE

28 94. Plaintiffs' claims, and each of them, are barred by

1 applicable principles of the First Amendment to the  
2 Constitution. The complaint impermissibly intrudes on rights  
3 held by Defendant and others to privacy and association, to  
4 religious free exercise, and to freedom from excessive  
5 governmental entanglement in religious affairs.

6 TENTH AFFIRMATIVE DEFENSE

7 95. Plaintiffs' claims, and each of them, are barred by  
8 the doctrine of contributory negligence in that plaintiffs' own  
9 actions are a proximate legal cause for any injury or damages  
10 suffered by them. Plaintiffs, willfully and with knowledge,  
11 voluntarily entered into membership in the Scientology religion,  
12 and remained parishioners and employees of various  
13 Scientology-affiliated entities even after attaining high levels  
14 of training and responsibility within said entities.

15 ELEVENTH AFFIRMATIVE DEFENSE

16 96. Relative to the acts or conduct alleged by plaintiffs,  
17 Defendant as a matter of law is not and has never been the  
18 agent, servant, employee, partner, associate, joint venturer,  
19 co-participant, co-conspirator, or principal of any other  
20 Defendant. Accordingly, Defendant is not liable to plaintiffs  
21 for any of the acts complained of.

22 TWELFTH AFFIRMATIVE DEFENSE

23 97. Plaintiffs, after discovery of all the facts which  
24 allegedly constituted defendants' fraudulent activity, made  
25 ratification thereof by their conduct.

26 THIRTEENTH AFFIRMATIVE DEFENSE

27 This Defendant asserts that recovery is barred by the  
28 doctrine of unclean hands.

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WHEREFORE, Defendant prays for relief as follows:

- 1) That plaintiffs take nothing by their Complaint;
- 2) That Defendant recover its costs of suit herein;
- 3) That Defendant recover its attorneys' fees and costs of defending the suit herein; and
- 4) That the Court award such further relief as it may deem proper.



1           7. In or about March 1987, Vicki Aznaran voluntarily  
2 resigned from her position as president of RTC, and assigned  
3 herself to religious rehabilitation program known as  
4 the "Rehabilitation Project Force" (hereinafter "RPF"). The RPF  
5 is a program established as a direct result of the religious  
6 belief that man is basically good and, with proper application  
7 of religious procedures as laid out in the Scientology  
8 scriptures, can be rehabilitated. Vicki resigned, in part,  
9 because of her support to various persons who had been removed  
10 from their positions within the Guardian's Office of the Church  
11 in the early 1980s, after Church authorities discovered that  
12 these persons had committed improper actions in complete  
13 disregard for and contravention of Church policies.

14           8. On or about March 31, 1987, Vicki Aznaran determined to  
15 and did terminate her service with RTC. She voluntarily and  
16 freely departed the premises of RTC in the company of two other  
17 former RTC staff members.

18           9. Upon learning of her departure, agents for RTC  
19 contacted Vicki, assisted her by making a hotel room available  
20 to her, and arranged for her husband, Richard, to meet with her.  
21 The decision to return to service in RTC was left totally up to  
22 her and, although the two persons with whom she initially  
23 departed both decided to return, Vicki did not. After meeting  
24 with Vicki, Richard also decided to discontinue voluntary  
25 service.

26           10. Out of concern for the Aznarans, and in order to make  
27 their transition to public life as simple and easy as possible,  
28 RTC packed up and transported to them all of their personal

1 belongings, even including those personal belongings such as a  
2 VCR which had been purchased with RTC funds. Their two dogs  
3 were likewise brought to the Aznarans by RTC and their horse,  
4 which had been originally purchased by the Aznarans for  
5 \$1,200.00, was purchased from them without negotiation by  
6 defendant Church of Scientology International for \$1,500.00.

7 11. Additionally, at or around the date that the Aznarans  
8 left the Church, the Aznarans and CSI entered into a loan  
9 agreement in which the Aznarans borrowed \$20,000, at a  
10 substantially below market rate of interest, from CSI. The  
11 loan was arranged in order to assist the Aznarans. A true and  
12 correct copy of that loan agreement (the "loan agreement") is  
13 annexed hereto as Exhibit A.

14 12. In April 1987, Vicki Aznaran executed a Mutual Release  
15 Agreement (the "VA Release") with CSI and others. A true and  
16 correct copy of the Release signed by Vicki Aznaran is annexed  
17 hereto as Exhibit B.

18 13. In April 1987, Richard Aznaran executed a Mutual  
19 Release Agreement (the "RA Release") with CSI and others. A  
20 true and correct copy of the Release signed by Richard Aznaran  
21 is annexed hereto as Exhibit C. The VA Release and RA Release  
22 are hereinafter collectively referred to as the "Releases."

23 14. The Releases, and each of them, signed by the Aznarans  
24 constitute valid agreements between the Aznarans and various  
25 defendants, specifically including CSI. The Aznarans each  
26 received a copy of their respective releases at the time the  
27 Releases were signed. The Releases were executed for fair and  
28 valuable consideration. The Aznarans signed the Releases

1 without duress and intended them to be valid and binding.

2 15. The Releases signed by plaintiffs pertained to,  
3 included and released "any and all claims, demands, damages,  
4 actions and causes of action of every kind and nature, known or  
5 unknown, from the beginning of time to and including the date  
6 [of the Release]." [Releases Para. (3)],

7 16. Additionally, among other things, the Releases signed  
8 by Vicki and Richard Aznaran contained covenants not to sue  
9 [Releases Para. 6B], covenants of confidentiality [Releases  
10 Para. (6C)] and covenants not to assist or advise anyone  
11 contemplating or engaged in litigation against Scientology  
12 [Releases Para. 8]. Specifically, the Releases provided as  
13 follows:

14 (a) Covenant Not to Sue: Paragraph 6B of the  
15 VA Release provides in part that:

16 "VICKI AZNARAN understands that by the execution  
17 of this release, no claims arising out of her  
18 experience with, or actions by, [CSI and others] from  
19 the beginning of time to and including the date  
20 hereof, which may now exist or which may exist in the  
21 future may ever be asserted by her or on her behalf,  
22 against [CSI and others]".

23 (b) The terms of Paragraph 6B of the RA are  
24 identical to the language referenced above except  
25 that the name RICK AZNARAN appears.

26 (c) Covenant of Confidentiality: Paragraph 6C  
27 of the VA Release provides in part that:

28 "VICKI AZNARAN agrees never to . . . assist

1 another to create for publication by means of  
2 magazine, article, book or other similar form, any  
3 writing, . . . concerning her experiences with the  
4 Church of Scientology, L. Ron Hubbard, or RTC and  
5 other defendants]. VICKI AZNARAN further agrees that  
6 she will maintain strict confidentiality and silence  
7 with respect to her experiences with the Church of  
8 Scientology and any knowledge or information she may  
9 have concerning the Church of Scientology, L. Ron  
10 Hubbard, or any of the [defendants]. . . VICKI  
11 AZNARAN agrees that if the terms of this paragraph  
12 are breached by her, the aggrieved party listed  
13 hereinabove would be entitled to liquidated damages  
14 in the amount of \$10,000 for each such breach. The  
15 reasonableness of the amount of such damages are  
16 hereto [sic] acknowledged by VICKI AZNARAN."

17 (d) Paragraph 6C of the RA Release is identical  
18 to the above-quoted language except that the name  
19 RICK AZNARAN appears.

20 (e) Covenant of Non-Assistance: Paragraph 8  
21 of the VA Release provides in part that:  
22 "VICKI AZNARAN agrees that she will not assist  
23 or advise anyone contemplating any claim or engaged  
24 in litigation or involved in or contemplating any  
25 activity adverse to the interests of any [of the  
26 defendants]."

27 (g) Paragraph 8 of the RA Release is identical  
28 to the above-quoted paragraph except that the name



1 RICK AZNARAN appears.

2 17. In or about April 1987, the Aznarans departed  
3 California and went to Dallas, Texas. Shortly thereafter, Rick  
4 Aznaran requested assistance from RTC in the form of statements  
5 from attorneys retained by RTC and other defendants. Said  
6 statements concerned investigative work performed by Rick under  
7 the supervision of these counsel while serving the Church, and  
8 were requested by him in order to obtain licensing as a private  
9 investigator in the State of Texas. Said statements were  
10 rapidly made available to Rick Aznaran, and were thereafter  
11 successfully used by him to obtain the requisite license and  
12 establish a business as a private investigator.

13 FIRST CLAIM FOR RELIEF

14 (Against Vicki and Richard Aznaran for  
15 Breach of Contract)

16 18. CSI refers to, repeats and incorporates by reference  
17 as if fully set forth herein each and every averment of  
18 paragraph 1 to 17 inclusive.

19 19. CSI and other defendants have performed all material  
20 obligations under the Releases except where such performance has  
21 been rendered impossible or impracticable by plaintiffs'  
22 breaches.

23 20. In complete disregard of the language of the Releases  
24 signed and acknowledged by the Aznarans, the Aznarans, and each  
25 of them, have breached the not to sue covenants of the Releases  
26 by filing the instant lawsuit against CSI and other defendants.  
27 The Releases were intended to and did cover and release each  
28 claim made by the Aznarans in the complaint. The Aznarans

1 at all times knew and were aware that the Releases covered the  
2 claims now asserted by them and that such claims constitute  
3 breaches of the Releases.

4 21. As a direct result of the breaches of the Releases by  
5 Vicki and Richard Aznaran, CSI has been and continues to be  
6 damaged. As a result of the suit filed by the Aznarans in  
7 breach of the Releases, CSI has been sued and incurred among  
8 other things, attorney's fees and costs which constitute damages  
9 to CSI. To date CSI has incurred and will incur damages in  
10 excess of \$250,000.00. CSI also prays for appropriate  
11 injunctive relief to halt and prevent this continuing breach of  
12 contract by the Aznarans.

13 SECOND CLAIM FOR RELIEF

14 (Against Vicki and Richard Aznaran  
15 For Liquidated Damages)

16 22. CSI refers to, repeats and incorporates by reference  
17 as if fully set forth herein each and every averment of  
18 paragraphs 1 to 17 and 19 to 21, inclusive.

19 23. In direct breach of the confidentiality covenants  
20 contained in the Releases signed by them, Vicki and Richard  
21 Aznaran have voluntarily communicated with numerous individuals  
22 to reveal and discuss their experiences with and acquired  
23 knowledge about the Church of Scientology and CSI.

24 24. The persons with whom plaintiffs have voluntarily  
25 engaged in such communications include, but are not limited to,  
26 Joseph A. Yanny (defendants' former attorney), Jerold Fagelbaum  
27 (an attorney representing individuals in adversarial litigation  
28 with defendants), Welkos and Sappell (two reporters from the

1 Los Angeles Times writing an article about Scientology),  
2 Bent Corydon (an individual engaged in adversarial litigation  
3 with defendants), and government employees working for the  
4 Internal Revenue Service ("I.R.S."), and Department of Justice  
5 ("D.O.J.").

6 25. The Aznarans discussed their experiences with the  
7 Church with Yanny during a period when both the Aznarans and  
8 Yanny were contemplating litigation against CSI and others.  
9 Specifically, the Aznarans discussed the claims made in their  
10 complaint with Yanny and others, and discussed Yanny's claims as  
11 well.

12 26. Vicki and Richard Aznaran spent over 10 hours talking  
13 to Los Angeles Times reporters Welkos and Sappell about their  
14 experiences with RTC, the Church of Scientology and other  
15 defendants, assisting the reporters in the preparation of an  
16 article about RTC, the Church of Scientology and other  
17 defendants. The entire session was tape recorded by the  
18 Aznarans and by the reporters.

19 27. In 1988, the Aznarans called and met with Corydon and  
20 discussed their experiences with RTC and the Church with him  
21 during a time when Corydon was involved in litigation against  
22 CSI and others.

23 28. The Aznarans voluntarily met with Jerold Fagelbaum, an  
24 attorney representing litigants with interests adverse to those  
25 of CSI. The Aznarans discussed their experiences with RTC and  
26 the Church with him.

27 29. The Aznarans met with agents from the I.R.S. and  
28 volunteered information about their knowledge of and

1 experiences with RTC and the Church.

2 30. Each and every one of the meetings referenced in  
3 paragraphs 23 to 29 occurred in direct breach of confidentiality  
4 covenants of the Releases signed by the Aznarans.

5 31. As a direct and proximate result of plaintiffs'  
6 respective breaches of the confidentiality covenants, CSI has  
7 suffered damages. The exact amount of such damages are  
8 impossible to calculate. Consequently, CSI is entitled to  
9 \$10,000 liquidated damages per breach from each  
10 plaintiff-counterdefendant pursuant to the terms set forth in  
11 paragraph 6C of the Releases. The total number of breaches and  
12 improper communications which occurred are to be proved at  
13 trial.

14 THIRD CLAIM FOR RELIEF

15 (Against Vicki and Richard Aznaran for Breach of Contract)

16 32. CSI refers to, repeats and incorporates by reference  
17 as if fully set forth herein each and every averment of  
18 paragraphs 1 to 17, 19 to 21, 23 to 31, inclusive.

19 33. The loan by CSI to the Aznarans was made at the  
20 request of the Aznarans to assist them in starting a new  
21 business venture in Texas.

22 34. The loan agreement was executed on or about  
23 April 9, 1987. The terms of the loan agreement provided,  
24 among other things, that (a) CSI would lend plaintiffs \$20,000;  
25 (b) plaintiffs were to have 10 years to repay the loan; and (c)  
26 interest payments of 5% were to be made annually, on or before  
27 December 31 of each year.

28 35. The Aznarans, and each of them, have breached the loan

1 agreement with CSI. To date, the Aznarans have failed to make a  
2 single interest payment on the loan. Although CSI has demanded  
3 and continues to demand payment, the Aznarans have failed and  
4 refused and continue to fail and refuse to meet their  
5 obligations pursuant to the term of the loan agreement.  
6 Moreover, in the complaint, the Aznarans have repudiated any and  
7 all monetary obligations to CSI, including repayment of the  
8 \$20,000 loan.

9 36. This refusal of the Aznarans to pay interest or make  
10 repayments constitutes a default on the loan agreement.  
11 Consequently, CSI is entitled to immediate repayment of the full  
12 \$20,000 sum plus interest at the agreed rate.

13 FOURTH CLAIM FOR RELIEF

14 (Against Vicki and Richard Aznaran for  
15 Interference with Contractual Relations)

16 37. Defendants refer to, repeat and incorporate by  
17 reference as if fully set forth herein each and every averment  
18 of paragraphs 1 to 17, 19 to 21, 23 to 31, 33 to 36, inclusive.

19 38. In or about March 1988, and in all likelihood prior to  
20 that time, Yanny, former counsel to CSI and others, embarked  
21 upon a course of conduct whereby Yanny affirmatively determined  
22 to ignore his fiduciary and ethical obligations to CSI and  
23 others and he affirmatively determined to counsel, advise, plan,  
24 draft, and even prosecute actions on behalf of others against  
25 CSI and other defendants. In aid and support of his scheme, the  
26 Aznarans joined with Yanny, Corydon, and others, with the  
27 express purpose of damaging or destroying CSI and other  
28 defendants.

1           39. A series of clandestine meetings occurred at Yanny's  
2 home and at various law offices and elsewhere in which one or  
3 both of the Aznarans were active participants. Those meetings  
4 included planning, strategizing, researching, assigning projects  
5 in connection with, and otherwise creating the theories and  
6 documents that since have become, among other things, the  
7 foundation for the Aznarans' instant litigation against CSI and  
8 others.

9           40. The Aznarans, and each of them, knew that Yanny owed  
10 fiduciary and contractual duties of confidentiality to CSI to  
11 preserve and maintain the privileged communications divulged by  
12 CSI to Yanny.

13           41. In deliberate disregard of the fiduciary and  
14 contractual duties owed to RTC and others, Vicki and Richard  
15 Aznaran conspired with others to induce Yanny to breach his  
16 fiduciary and contractual duties owed to CSI. Specifically,  
17 among other things, Vicki and Richard Aznaran encouraged and  
18 induced Yanny to:

19           (a) discuss with the Aznarans (and others) those areas  
20 in which Yanny, on the basis of his knowledge of confidential  
21 and privileged information, believed CSI to be vulnerable to the  
22 lawsuit by the Aznarans;

23           (b) disclose to the Aznarans (and others) confidential  
24 and privileged information regarding CSI, which Yanny had  
25 obtained in the course of his representation of CSI;

26           (c) rely upon and discuss with the Aznarans (and  
27 others) confidential and privileged documents and records of  
28 CSI, which Yanny had surreptitiously photocopied prior to

1 returning such documents and records to defendants upon the  
2 termination of Yanny's representation of defendants;

3 (d) undertake to represent the Aznarans against CSI in  
4 the instant litigation.

5 42. The Aznarans joined together the others, in the manner  
6 set forth in paragraphs 38 through 41, inclusive, with the  
7 express purpose of damaging and destroying CSI and other  
8 defendants. Through their joint conduct, the Aznarans along  
9 with others have unlawfully conspired to interfere with CSI's  
10 contractual rights and with the fiduciary relationship between  
11 CSI and its former attorneys.

12 43. As a direct and proximate result of the foregoing  
13 conduct, CSI has sustained damages in an amount exceeding  
14 \$250,000.

15 44. The acts of Vicki and Richard Aznaran herein alleged  
16 were performed oppressively, fraudulently, and maliciously, and  
17 with the express purpose of injuring CSI. Accordingly, CSI is  
18 entitled to punitive and exemplary damages in an amount to be  
19 determined at trial.

20 WHEREFORE, CSI prays for judgment against plaintiffs-  
21 counterdefendants as follows:

22 ON THE FIRST CLAIM FOR RELIEF

23 1. For compensatory damages from Vicki and Richard Aznaran  
24 in an amount exceeding \$250,000 to be proved at trial, and  
25 injunction to immediately halt plaintiffs' wrongful conduct.

26 ON THE SECOND CLAIM FOR RELIEF

27 1. For liquidated damages from Vicki Aznaran in the sum of  
28 at least \$10,000 per breach for each breach proved at trial.

1           2. For liquidated damages from Richard Aznaran in the sum  
2 of at least \$10,000 per breach for each breach proved at trial.

3                           ON THE THIRD CLAIM FOR RELIEF

4           1. For compensatory damages in the sum of \$20,000 plus  
5 interest.

6                           ON THE FOURTH CLAIM FOR RELIEF

7           1. For compensatory damages in an amount exceeding  
8 \$250,000 as proved at trial, and an injunction to immediately  
9 halt plaintiffs' wrongful conduct.

10          2. For punitive damages in a sum to be determined at  
11 trial.

12                           ON ALL CLAIMS FOR RELIEF


13          1. For pre-judgment and post-judgment interest.

14          2. For such other and further relief as the Court deems  
15 just and proper.

16 Dated: September 19, 1988

ERIC LIEBERMAN  
RABINOWITZ, BOUDIN, STANDARD,  
KRINSKY & LIEBERMAN, P.C.

17  
18  
19 BOWLES & MOXON

20  
21 By:   
Kendrick L. Moxon

22 Attorneys for Defendant  
23 CHURCH OF SCIENTOLOGY  
24 INTERNATIONAL



DEMAND FOR JURY TRIAL

Defendant-counterclaimant Church of Scientology  
International demands trial by jury on all issues in this  
action.

Dated: September 19, 1988

ERIC LIEBERMAN  
RABINOWITZ, BOUDIN, STANDARD,  
KRINSKY & LIEBERMAN, P.C.

BOWLES & MOXON

By: 

Kendrick L. Moxon

Attorneys for Defendant  
CHURCH OF SCIENTOLOGY  
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**EXHIBIT A**

LOAN AGREEMENT

WHEREAS, Rick Aznaran and Vicki Aznaran have been long term staff and officers of the Church of Scientology. AND WHEREAS, the Church of Scientology International wishes to assist them in their transition and relocation to public life.

It is agreed that the Church of Scientology International shall loan Rick Aznaran and Vicki Aznaran the sum total of \$ 20,000.00 at an interest rate of 5% per annum. The interest shall be repaid annually, on or before the 31st of December of each year. The entire principal and balance of interest shall be repaid in full at the end of 10 years from the date of this agreement.

Should Rick and Vicki Aznaran return to staff, the principal is payable in full at that time and any outstanding interest will be waived.

If any part of the principal is paid off before the end of the due date above, the interest is only payable on the remaining balance.

Rick Aznaran and Vicki Aznaran are liable for repayment of the principal and interest both jointly and severally.

All repayment checks are to be made payable to Church  
of Scientology International.

DATE: 14 April 1987

CHURCH OF SCIENTOLOGY  
INTERNATIONAL



RICK AZNARAN

DATE: 9 April 87

DATE: 9 April '87



VICKI AZNARAN

**EXHIBIT B**

MUTUAL RELEASE AGREEMENT  
-----

1. This MUTUAL RELEASE AGREEMENT is made and entered into by and between VICKI AZNARAN and the Religious Technology Center; Church of Scientology International; Church of Scientology of California; Church of Spiritual Technology; all other Scientology organizations or entities as well as the officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns, and legal counsel of each of the forgoing organizations or entities; Pat Broeker and Anne Broeker (hereinafter collectively referred to as the "CHURCH"); and Author Services Incorporated, it's officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns and legal counsel; the Estate of L. Ron Hubbard, it's executor, beneficiaries, legal counsel and employees; Author's Family Trust, it's trustee, employees, beneficiaries, and legal counsel (hereinafter collectively referred to as the "ESTATE/ASI").

2. The CHURCH agrees to indemnify VICKI AZNARAN against any damages stemming from lawsuits which exist now or are brought against her in the future arising out of her association with the Church of Scientology or any posts she has held in the Church. It is understood that as a part of this agreement the CHURCH will provide free legal counsel to VICKI AZNARAN providing she cooperates fully with the CHURCH and CHURCH attorneys and she contacts the CHURCH immediately when she becomes aware of any potential or real legal threat to herself and/or the CHURCH.

3. For and in consideration of the above mutual covenants, conditions and release contained herein, VICKI AZNARAN does hereby release, acquit and forever discharge for herself, her heirs, successors, executors, administrators and assigns, the CHURCH and the ESTATE/ASI from any and all claims, demands, damages, actions and causes of action of every kind and nature, known or unknown, from the beginning of time to and including the date hereof.

4. For and in consideration of the mutual covenants, conditions and release contained herein, the CHURCH and the ESTATE/ASI do hereby release, acquit and forever discharge for it, its successors and assigns, VICKI AZNARAN, her agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by VICKI AZNARAN from the beginning of time to and including the date hereof.

5. It is understood that this mutual release is not an admission of liability on the part of any party to this Agreement. In executing this Release Agreement, VICKI AZNARAN acknowledges that she has released the organizations, individuals and entities listed in Paragraph 1.

6. Further, the undersigned hereby agree to the following:

A. That liability for any claims is expressly denied by each party herein released, and this Agreement shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. VICKI AZNARAN has been fully advised and understands that any alleged injuries or alleged money claims sustained by her are of such character that the full extent and type of injuries or money claims may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, damages may be sustained by VICKI AZNARAN; nevertheless, VICKI AZNARAN desires by this document to forever and fully release the CHURCH and the ESTATE/ASI. VICKI AZNARAN understands that by the execution of this release no claims arising out of her experience with, or actions by, the CHURCH and the ESTATE/ASI, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by her or on her behalf, against the CHURCH and the ESTATE/ASI.

C. VICKI AZNARAN agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing, or to broadcast, or to assist another to create, write, film or video tape or audio tape, any show, program or movie, concerning her experiences with the Church of Scientology, or personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard, or any entities and individuals listed in Paragraph 1 above. VICKI AZNARAN further agrees that she will maintain strict confidentiality and silence with respect to her experiences with the Church of Scientology and any knowledge or information she may have concerning the Church of



Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. VICKI AZNARAN expressly understands that the non-disclosure provisions of this subparagraph shall apply, but not be limited to, the contents or substance of any documents she may have possessed while in the Church including but not limited to any tapes, films, photographs, or variations thereof which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. VICKI AZNARAN agrees that if the terms of this paragraph are breached by her, that the aggrieved party listed hereinabove would be entitled to liquidated damages in the amount of \$10,000 for each such breach. The reasonableness of the amount of such damages are hereto acknowledged by VICKI AZNARAN.

D. VICKI AZNARAN agrees to return to the CHURCH at the time of the consummation of this Agreement, all materials in her possession, custody or control of any nature - except for any materials she personally possesses that are generally publically available and sold by the Church or their authorized agents - any documents, papers, memorandums, tapes, films, photographs, or any variations thereof which concern or relate to the religion of Scientology or any of the persons or entities listed in Paragraph 1 above.

E. VICKI AZNARAN agrees that she will not voluntarily assist or cooperate with any person adverse to the religion of Scientology in any proceeding against any of the Scientology organizations, or cooperate with any person adverse to any of the organizations, individuals or entities listed in

Paragraph 1 above in any proceeding against any of the organizations, individuals, or entities listed in Paragraph 1 above. VICKI AZNARAN also agrees that she will not cooperate in any manner with any organizations aligned against Scientology or any of the organizations, individuals, or entities listed in Paragraph 1 above.

F. VICKI AZNARAN agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the organizations, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Unless required to do so by such subpoena, VICKI AZNARAN agrees not to discuss her experiences or personal or indirectly acquired knowledge or information concerning the organizations, individuals, or entities listed in Paragraph 1, with anyone other than members of her immediate family. VICKI AZNARAN shall not make herself amenable to service of any such subpoena in a manner which invalidates the intent of this agreement. As provided hereinafter in Paragraph 16, the contents of this Agreement may not be disclosed.

G. VICKI AZNARAN hereby acknowledges and affirms that she is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that her ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

7. This Release Agreement contains the entire Agreement between the parties hereto, and the terms of this Release are contractual and not a mere recital. This Release may be

amended on \_\_\_\_\_ by a written instrument executed by the undersigned. The parties hereto have carefully read and understand the contents of this Release Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

8. VICKI AZNARAN agrees that she will not assist or advise anyone, including partnerships, associations or corporations, contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

9. The parties to this Agreement acknowledge that all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will.

10. In the event any provision hereof is unenforceable, such provision shall not affect the enforceability of any other provision hereof.

11. Each party warrants that it has had an opportunity to seek independent legal advice with respect to the advisability of making the settlement provided for herein and in executing this Agreement. Notwithstanding, VICKI AZNARAN warrants that she fully understand the full nature and legal consequences of this agreement.

12. The parties to this Agreement acknowledge that all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have had the opportunity to seek advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement.

13. The parties hereto acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party or of any officer, agent, employee, representative or attorney for the other party.

14. The parties to this Agreement agree that all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

15. Each party warrants that the persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

16. The parties hereto each agree not to disclose the contents of this executed Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement, on the date opposite their names.

Dated: 9 Apr '87

Vicki Aznar  
VICKI AZNARAN

Dated: 13 April 87

RELIGIOUS TECHNOLOGY CENTER

By: [Signature]

Dated: 14 April 1987

CHURCH OF SCIENTOLOGY INTERNATIONAL

By: [Signature]

Dated: 13 April 1987

CHURCH OF SCIENTOLOGY CALIFORNIA

By: [Signature]

Dated: 9 April 1987

CHURCH OF SPIRITUAL TECHNOLOGY

By: [Signature]

Dated: 13 April 1987

AUTHOR SERVICES INC.

By: [Signature]

Dated: 13 April 1987

ESTATE OF L. RON HUBBARD

By: [Signature]

Dated: 13 April 1987

AUTHOR'S FAMILY TRUST

By: [Signature]

**EXHIBIT C**

MUTUAL RELEASE AGREEMENT  
-----

1. This MUTUAL RELEASE AGREEMENT is made and entered into by and between RICK AZNARAN and the Religious Technology Center; Church of Scientology International; Church of Scientology of California; Church of Spiritual Technology; all other Scientology organizations or entities as well as the officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns, and legal counsel of each of the forgoing organizations or entities; Pat Broeker and Anne Broeker (hereinafter collectively referred to as the "CHURCH"); and Author Services Incorporated, it's officers, agents, representatives, employees, volunteers, trustees, directors, successors, assigns and legal counsel; the Estate of L. Ron Hubbard, it's executor, beneficiaries, legal counsel and employees; Author's Family Trust, it's trustee, employees, beneficiaries, and legal counsel (hereinafter collectively referred to as the "ESTATE/ASI").

2. The CHURCH agrees to indemnify RICK AZNARAN against any damages stemming from lawsuits which exist now or are brought against him in the future arising out of his association with the Church of Scientology or any posts he has held in the Church. It is understood that as a part of this agreement the CHURCH will provide free legal counsel to RICK AZNARAN providing he cooperates fully with the CHURCH and CHURCH attorneys and he contacts the CHURCH immediately when he becomes aware of any potential or real legal threat to himself and/or the CHURCH.

3. For and in consideration of the above mutual covenants, conditions and release contained herein, RICK AZNARAN does hereby release, acquit and forever discharge for himself, his heirs, successors, executors, administrators and assigns, the CHURCH and the ESTATE/ASI from any and all claims, demands, damages, actions and causes of action of every kind and nature, known or unknown, from the beginning of time to and including the date hereof.

4. For and in consideration of the mutual covenants, conditions and release contained herein, the CHURCH and the ESTATE/ASI do hereby release, acquit and forever discharge for it, its successors and assigns, RICK AZNARAN, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by RICK AZNARAN from the beginning of time to and including the date hereof.

5. It is understood that this mutual release is not an admission of liability on the part of any party to this Agreement. In executing this Release Agreement, RICK AZNARAN acknowledges that he has released the organizations, individuals and entities listed in Paragraph 1.

6. Further, the undersigned hereby agree to the following:

A. That liability for any claims is expressly denied by each party herein released, and this Agreement shall never be treated as an admission of liability or responsibility at any time for any purpose.



that any all ed injuries or alleged mon claims sustained by him are of ch character that the full extent and type of injuries or money claims may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, damages may be sustained by RICK AZNARAN; nevertheless, RICK AZNARAN desires by this document to forever and fully release the CHURCH and the ESTATE/ASI. RICK AZNARAN understands that by the execution of this release no claims arising out of his experience with, or actions by, the CHURCH and the ESTATE/ASI, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the CHURCH and the ESTATE/ASI.

C. RICK AZNARAN agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any writing, or to broadcast, or to assist another to create, write, film or video tape or audio tape, any show, program or movie, concerning his experiences with the Church of Scientology, or personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard, or any entities and individuals listed in Paragraph 1 above. RICK AZNARAN further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of

Scientology, L. Ron Hubbard, or any of the organizations, individual and entities listed in Paragraph 1 above. RICK AZNARAN expressly understands that the non-disclosure provisions of this subparagraph shall apply, but not be limited to, the contents or substance of any documents he may have possessed while in the Church including but not limited to any tapes, films, photographs, or variations thereof which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. RICK AZNARAN agrees that if the terms of this paragraph are breached by him, that the aggrieved party listed hereinabove would be entitled to liquidated damages in the amount of \$10,000 for each such breach. The reasonableness of the amount of such damages are hereto acknowledged by RICK AZNARAN.

D. RICK AZNARAN agrees to return to the CHURCH at the time of the consummation of this Agreement, all materials in his possession, custody or control of any nature - except for any materials he personally possesses that are generally publically available and sold by the Church or their authorized agents - any documents, papers, memorandums, tapes, films, photographs, or any variations thereof which concern or relate to the religion of Scientology or any of the persons or entities listed in Paragraph 1 above.

E. RICK AZNARAN agrees that he will not voluntarily assist or cooperate with any person adverse to the religion of Scientology in any proceeding against any of the Scientology organizations, or cooperate with any person adverse to any of the organizations, individuals, and entities listed in

Paragraph 1 above in any proceeding against any of the organizations, individuals, or entities listed in Paragraph 1 above. RICK AZNARAN also agrees that he will not cooperate in any manner with any organizations aligned against Scientology and any of the organizations, individuals, and entities listed in Paragraph 1 above.

F. RICK AZNARAN agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the organizations, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Unless required to do so by such subpoena, RICK AZNARAN agrees not to discuss his experiences or personal or indirectly acquired knowledge or information concerning the organizations, individuals, or entities listed in Paragraph 1, with anyone other than members of his immediate family. RICK AZNARAN shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this agreement. As provided hereinafter in Paragraph 16, the contents of this Agreement may not be disclosed.

G. RICK AZNARAN hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

7. This Release Agreement contains the entire Agreement between the parties hereto, and the terms of this Release are contractual and not a mere recital. This Release may be

amended only by a written instrument executed by the undersigned. The parties hereto have carefully read and understand the contents of this Release Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

8. RICK AZNARAN agrees that he will not assist or advise anyone, including partnerships, associations or corporations, contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

9. The parties to this Agreement acknowledge that all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will.

10. In the event any provision hereof is unenforceable, such provision shall not affect the enforceability of any other provision hereof.

11. Each party warrants that it has had an opportunity to seek independent legal advice with respect to the advisability of making the settlement provided for herein and in executing this Agreement. Notwithstanding, RICK AZNARAN warrants that he fully understand the full nature and legal consequences of this agreement.

12. The parties to this Agreement acknowledge that all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have had the opportunity to seek advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement.

13. The parties hereto acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party or of any officer, agent, employee, representative or attorney for the other party.

14. The parties to this Agreement agree that all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

15. Each party warrants that the persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

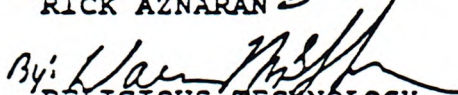
16. The parties hereto each agree not to disclose the contents of this executed Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into and executed this Agreement, on the date opposite their names.


Dated: 9 Apr 87

  
RICK AZNARAN


Dated: 13 April 1987

By:   
RELIGIOUS TECHNOLOGY CENTER

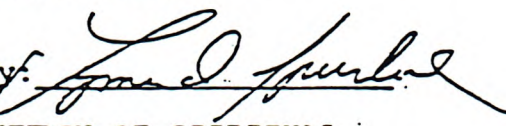
Dated: 14 April 1987

By:   
CHURCH OF SCIENTOLOGY INTERNATIONAL

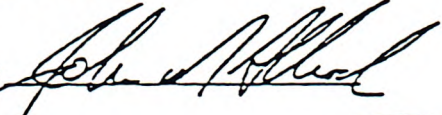
Dated: 13 April 1987

By:   
CHURCH OF SCIENTOLOGY CALIFORNIA


Dated: 12 April 1987

By:   
CHURCH OF SPIRITUAL TECHNOLOGY

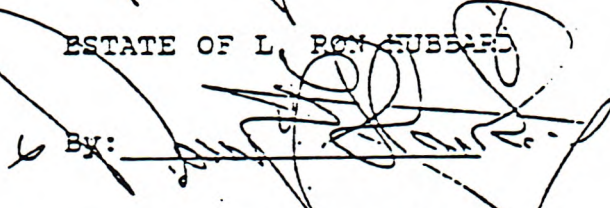
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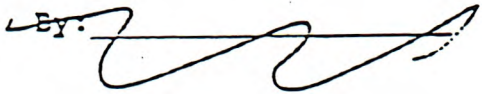
By:   
AUTHOR SERVICES INC

Dated: 13 April 1987

By:   
ESTATE OF L. RON HUBBARD

Dated: 13 April 1987

By:   
AUTHOR'S FAMILY TRUST

By: 

PROOF OF SERVICE

STATE OF CALIFORNIA     )  
                                  )    ss.  
COUNTY OF LOS ANGELES    )

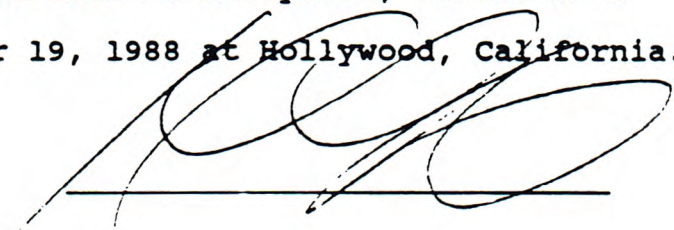
I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On September 19, 1988, I served the foregoing document described as ANSWER AND COUNTERCLAIM OF CHURCH OF SCIENTOLOGY INTERNATIONAL; DEMAND FOR JURY TRIAL on interested parties by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Hollywood, California, addressed as follows:

SEE ATTACHED LIST

If hand service is indicated on the attached list, I caused such envelope to be served by hand, otherwise I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on September 19, 1988 at Hollywood, California.

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and loops around itself.